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Short, S.	Engineering Trades	550–557
Smail, D. M.	Printing	596–600
Sonnenberg, M.	Agriculture, Horticulture, etc. ; Railway Rates	287–295
Smit, J. A.	Coopering	703–705
Smith, W. A.	Tanning, etc. : Boots and Shoes	162–164
Stark, C. G. E.	Cart, Carriage and Wagon Building	507–514
Stead, W. S.	Salt	133–135
Steers, W. W.	Sail and Tent Making	132–133
Stevens, F. H.	Jewellery	720–723
Stephens, T. W.	Tailoring, etc.	657–661
Stocks, R. R.	Parcels Post and Auction Sales	185–187
Stratten, T.	Engineering Trades : Railway Rates	298–303
Stuber, C.	Garden and Vegetable Plants and Seeds	714–716
Stuttaford, R.	Tailoring : Apparel, etc.	661–669
Thackwray, H.	Agriculture, Horticulture, etc.	228–230
Thesen, M. T.	Cart, Carriage and Wagon Building	514–518
Thesen, M. T.	Milling, Flour	577–583
Thomson, N. M.	Confectionery, Jams and Preserves	206–209
Thorogood, W. A.	Cart, Carriage and Wagon Building	32–34
Tod, C. E.	Agriculture, Horticulture, etc.	372–375
Townshend, P.	Printing	154–160
Trembath, T. F.	Building Trades : Carpentry and Joinery, etc. ; Printing	295–298
Turner, E.	Mattress Making	223–225
Tyrer, W.	Agriculture, Horticulture, etc. ; Candle Making ; Railway Rates ; Soap Making ; Parcels Post and Auction Sales	274–283
Van Heerden, J. B.	Agriculture, Horticulture, etc.	271–274
Verster, T. G. J.	Cart, Carriage and Wagon Building	507–514
Warren, R.	Agriculture, Horticulture, etc.	230–234
Whitaker, J. J.	Parcels Post and Auction Sales	269–270
Wilkins, A. H.	Tanning, etc. : Boots and Shoes	164–167
Williams, P.	Printing	600–605
Wilson, J. A.	Confectionery, Jams and Preserves	244–246
Withinshaw, G. S.	Building Trades : Carpentry and Joinery, etc.	440–452
Wood, J. G.	Milling, Flour	577–583
Woodhead, H.	Tanning, etc. : Boots and Shoes	639–653
Yallop, J. A.	Building Trades : Carpentry and Joinery, etc.	453–465
Yallop, J. W.	Printing	591–596
Younge, H. O.	Building Trades : Carpentry and Joinery, etc.	453–465
Zuidmeer, H. J. C.	Coopering	706–707

CUSTOMS TARIFF COMMISSION.

MINUTES OF EVIDENCE.

PORT ELIZABETH, 4th, 5th, 6th, 7th, 11th, and 12th November, 1907.

PRESENT:

GEORGE WHITAKER, ESQ. (Chairman).

C. F. Kayser, Esq. (except on the 12th].
C. E. Tod, Esq.
Dr. A. G. Viljoen.
J. Pyott, Esq.
G. A. Scott, Esq.
J. Harlow, Esq.

G. Owen-Smith (Secretary and Customs Adviser).

Agriculture and Horticulture and other farming industries.

Alfred James Sellick, Manager of the South Eastern Co-operative Farmers', Ltd., gave evidence on fruit boxes, eggs, fresh fruits, etc.

With regard to the matter of fruit boxes, several of the makers have (he said) interviewed me during the last couple of days to give evidence as to Colonial-made fruit boxes. During the last season we bought thousands of boxes from local makers, and the farmers were perfectly satisfied with the get-up and the price, which have been satisfactory indeed. This industry they are anxious to see encouraged in the town in which they are selling their fruit and other products. I have imported prices as well as the Colonial, and with the duty which is now prevailing, the local ones are very satisfactory. Competition is remarkably keen for the trade. I have recently put out a contract for this season at very satisfactory figures.

1. *Dr. Viljoen.*] What kind of boxes are you using?—Grape boxes.

2. What kind? 5½ x 12 x 18, nominal 12 lb: ?—Yes.

3. What do they sell them at here?—4d.

4. Locally made?—Yes.

5. And the imported article?—We can land them at about 3¾d.

6. Does that include duty?—Yes.

7. So they cost a farthing more than the imported article?—We have this advantage, that we can draw our supplies as we want them.

8. Now you have to pay for the local box ¼d. more, notwithstanding the 15 per cent.?—Yes.

9. On the small box?—Yes.

10. What would be the difference on a large grape box?—We do not use them at all.

11. I suppose a proportionate difference would apply?—No, as a matter of fact some local boxes are cheaper.

12. What sort?—Crates, which we use for oranges, etc.

13. Yes, but that is not a box.—Well, we do not use them.

14. Is the Colonial-made article as good as the locally made one?—It was not as good, but it has improved greatly during the past six months.

15. It has?—Wonderfully.

16. I am glad to hear that. Do you know at the beginning the Colonial article was very rough, unplaned?—It was.

17. You say that you represent the Farmers' Co-operative Association?—Yes.

18. And they are perfectly satisfied with the duty of 15 per cent.?—Yes.

19. Is that a resolution of the Association?—No, but the management is left in my hands and I do the best I can.

20. You know there is a little opposition to this 15 per cent. in the Western Province, strong opposition?—Yes.

21. At the same time I think we ought to do something for the maker. Would it not meet the difficulty if there were, instead of the ordinary 15 per cent. duty, 3 per cent. on rough timber?—No; the farmers do not mind paying a little more knowing the thing is made in the country.

22. But you do not use the boxes as largely here as in the Western Province?—Oh, no.

23. Yours is a small industry?—Yes, but we are exporting also.

24. In the West there are people entirely dependent on the export of fruit for a livelihood?—Yes.

25. They are in a different position to what you are, and if they can save they must do so.—I suggest then that the duty be rebated on fruit boxes when exported oversea.

26. You mean that they get it rebated?—How is that going to work out?

27. *Dr. Viljoen.*] Do I understand you to mean that the 15 per cent. remains as long as the boxes stay in the country, but the moment you export oversea you get a rebate of the 15 per cent. on the box?—Yes.

28. There are very few individual exporters?—No, there are a great number.

29. Can you give us some idea of the quantity of boxes of fruit exported from here?—They are not considerable, although there are a number of exporters. The chief export is pines, and we hope to export between five and ten thousand cases per week.

30. But that is a different box?—Yes, and made cheaper than we can import them.

31. Can you give us any idea of the size of the pine box?—There are several. One 16 x 9 x 27, 12 x 9 x 24, 5 x 15 x 29, one, two and three dozen crates. We call them boxes, but they are not completely closed.

32. What would a box of 5 x 15 x 29 cost here?—Locally made, 6½d., 7¾d., and 10d.

33. I suppose you mostly use large boxes?—As a matter of fact we are using one dozen now.

34. But the wood used in these pine crates is very rough?—No, it is sawn fairly fine, but not planed.

35. But you are aware we have to have a more finished box for the finer fruits?—Yes, planed on one side.

36. *Mr. Scott.*] I suppose your local makers have not gone into this trade until quite recently?—Well, as a matter of fact, I have roused them up to going in for the trade during the last 10 months.

37. You have no knowledge how long it takes to get timber for box making?—Yes, I suppose about four months.

38. Much more than that, because you can only get timber out of the Baltic once a year?—Yes, but there are means of exporting by way of England.

39. But the class of timber for box making has to come out through the cheapest source?—You are speaking of white deal, but we use red deal here also.

40. As a matter of fact it takes over twelve months for the timber to come along from the time you arrange for it. Then there is the difficulty of getting the plant to equip yourself for the boxes. Still, you are getting these large crates made cheaper than you can get the imported ones?—That is so, and they can use the wood and materials they have on hand.

41. It is a great convenience to the farmers to have them made locally?—Yes, I have been using them all the season. I could get them in 48 hours.

42. But we have to arrange beforehand. What would be the fruit-grower's position if he found his fruit ripening suddenly, and he had no boxes on hand?—He would be in an awkward position.

43. Supposing his fruit is spoilt by frost, that would be a distinct loss to somebody?—Yes, it would. Of course, there would have to be a greater profit on the fruit boxes to carry over.

44. What proportion of your fruit do you export?—10 per cent.

45. Will you ever expect to export more?—Yes, decidedly.

46. Fifty per cent.?—Possibly.

47. That will depend on the class of fruit you have got?—We are improving our fruit considerably along the Longkloof, where they are planting the very best orchards.

48. Of delicate fruits, peaches, plums, and grapes, would you export 50 per cent.?—Undoubtedly, but not for some years.

49. It is a very large proportion of the best qualities, and you could only send the very best qualities?—Quite so.

50. What is to become of the other 50 per cent.?—It will be consumed in the Colony, or made up into dried fruits or jams.

51. Supposing we have not the population to use it?—We hope by protection to have a larger population.

52. You do not know the conditions of the box trade in the Western Province?—Only by evidence I recently read in a Government Blue Book.

53. You do not use any Colonial timber?—Not here, but I believe they are using it in other parts of the Colony.

54. Cannot you use it here?—Yes; probably we shall use Knysna timber.

55. It would suit your crate very well?—Yes.

56. And be suitable for your export business?—Yes.

57. You export pines and oranges from here largely?—Yes.

58. Are there any better boxes made locally at present?—Not to my knowledge; they are imported very cheap. The wood might not be suitable. The poplar might be all right, but it may not be in sufficient quantities.

59. Egg boxes, are they made locally?—Yes.

60. And is that a convenience to the farmer?—Yes, they are much better than the imported, much stronger and much cheaper, and we get them in 48 hours.

61. So you are quite satisfied that eventually the box trade will meet the requirements of the farmer?—I am more than satisfied; I think there is a very great future before it.

62. *Mr. Pyott.*] You suggest that there might be a rebate on the imported boxes which are exported with fruit. Are you serious?—Yes; I think it would meet the wishes of the people.

63. Take, for instance, the duty on a box of 12 lbs. which is imported for 4d. Have you taken into consideration the amount of the duty?—I know it is not a very serious item.

64. It is nine-sixteenths of a penny; do you think that is going to debar us doing an export fruit trade?—No, but it would make matters better for the exporter.

65. You admitted there was a possibility of the man who saws the wood for the boxes being a consumer of the fruit in the country; don't you think there should be a little give and take in the matter?—Yes.

66. The man who is sawing up the wood for these boxes is a possible consumer of the fruit and butter; therefore you are not strong in favour of your suggestion of a rebate?—Well, it is a question of give and take.

67. You do not know anything about the value of timber on the other side?—I did, but I have forgotten. I have never handled white deal.

68. It has gone up quite 20 per cent. recently, and there is just the possibility of that falling back to its normal state. Would you then be surprised if your box makers could produce your boxes even cheaper?—Personally, I do not think they will, owing to the industry having a footing.

68a. As competition goes on it will have the effect of bringing down the prices?—Yes.

69. You represent the Fruit Growers' Association?—No, I am merely the distributor of the goods for the members of our Association.

70. *Mr. Harlow.*] You said the farmer was quite prepared to keep the tariff as it is?—Yes, they do not ask for an increase or a reduction.

71. They are quite satisfied?—As far as I know; I have asked a great number of them and they say they are quite satisfied.

72. *Dr. Viljoen.*] What would you do with the fruit spoilt by frost?—I quite followed Mr. Scott's question. He meant that a farmer who had imported his fruit boxes would, in the event of his fruit being spoilt by frost, have them thrown on his hands. By buying locally he would avoid that.

73. In ordering your boxes do you wait until they are required?—More or less; we give an order for a few thousand.

74. How would you do if you had to handle 100,000 boxes?

75. *Mr. Pyott.*] They could be turned out in three days.

76. *Dr. Viljoen.*] In Port Elizabeth?

77. *Mr. Pyott.*] Yes.

78. *Dr. Viljoen.*] It is not our experience.

79. *Witness.*] We could fill our wants.

80. *The Chairman.*] I suppose you would say that the action of the Government in appointing an agent in London has helped the question considerably?—Well, I would not like to answer that question; we are not particularly enamoured with the Government methods. We think the Exhibition has brought the stuff to the notice of the public, but as to having done anything towards increasing the prices, I have my grave doubts.

81. In opening up markets?—I doubt it; but we are not closely associated with the export market; we do our own exporting, having acted on our own initiative.

82. *Dr. Viljoen.*] You are aware Government appointed a Trade Commissioner in London last year?—Yes.

83. Have you availed yourself of the services of this Trade Commissioner?—No; I was only speaking generally.

84. So you are not in a position to say whether he is doing good work or not in reference to the distribution of stuff on the other side?—Not from personal knowledge.

85. Would you be surprised to hear that the consensus of opinion on the matter amongst fruit growers in the West is that the appointment greatly aided them?—I should be very much surprised to hear it.

86. Notwithstanding that there is such a feeling?—Yes.

87. And that the prices realised last year for fruit exported to the London market were higher than the average price ever obtained before?—Yes, but I put that down very largely to the Exhibition, not to Mr. Chiappini. People are calling out for the fruit.

88. You give that as your opinion?—I do; but I have no definite knowledge.

89. Are you aware that in the Western Province they consider it has been, as they describe it, a great stimulus to the exportation of fruit, and that such exportation is going to be doubled, trebled, or even quadrupled this year because of the facilities given for the distribution of fruit on the other side?—I daresay it is; but I say it is through the popularising of the Colonial article in London; I cannot trace any definite work home to Mr. Chiappini in that respect at all.

90. Does the pineapple business fal under your co-operative work?—We do not export; but we know what is going on.

90a. You know that the pineapple trade has had a considerable stimulus in London?—Yes.

91. And at the commencement there was a great deal of prejudice against the Colonial pine, and that it is only by pushing the article that it has been established there?—Yes, I know that the pineapple trade has greatly improved.

92. But that was after the Exhibition, and you do not credit Mr. Chiappini with it?—No.

93. Although they had a prejudice against the article, and that was removed after the Exhibition, still you attribute it to the Exhibition?—Yes, and that consignments have gone Home better packed.

94. Why?—Simply because the Government issued instructions.

95. Who recommended the instructions?—Did they not come from the Trade Commissioner?—Yes, they came from his office.

96. Were not the instructions given out on the recommendation of the Trade Commissioner?—Yes, I understand so.

97. So if it had not been for the Trade Commissioner?—I say he is an excellent man in his way, but I do not think he has improved the prices.

98. As to fresh fruit and eggs. I want to speak of apples and lemons which are coming in from the Home market.

99. *The Secretary.*] The duty is 3 per cent. now, with a rebate to reciprocal countries; that is practically free.

100. *Dr. Viljoen.*] Is there a quantity of apples imported into the country?—Yes, very large.

101. Where do they come from?—Tasmania; nearly all from British possessions.

102. Are apples imported here from places other than British possessions?—Not to my knowledge.

103. So virtually they come in free?—Yes.

104. Are you satisfied with that?—No. For example, the people I represent have gone to a lot of trouble and expense to grow apples, have kept them for four or five months, and to-day they are not getting as much as they would have done had they sold three or four months ago.

105. You had them put in cold storage?—They had them.

106. In bushel boxes?—I suppose so.

107. What have you to pay to the cold storage people for a box like that?—I don't know, we do not do the business here.

108. Well, the fact is this: that cold storage is a considerable item, about 1s. per box per month, for a bushel box, in the Western Province, holding about 150 or 200 apples. The apples have been in cold storage about four months, which will work out at about 4s., and they do not realise more than what you could have got for them four months ago.

109. What do you ascribe that to? The imported apple. Six weeks ago I was getting 11s. and 12s. per box for those apples, and to-day I cannot get more than 6s.

110. Have you a considerable quantity left?—Yes, enough to last us to Christmas.

111. Why did you not sell before?—Because we had a very large quantity and we wanted to distribute it over a period; we did not want to glut the market.

112. And now you find that, owing to your desire to balance the trade or more or less equalise it, that owing to the importations you are left?—Yes.

113. And you suggest as a remedy that Government put a duty on the imported article?—Yes, of at least 25 per cent.

114. Will you please name the articles on which you want this duty?—Apples and lemons.

115. Those are the two things you can keep; they are hardy things. Would you advocate a duty on the more perishable articles; such as the peach?—Well, they are not imported.

116. Well, the pear is imported?—We are still using Colonial pears.

117. The duty you ask for will not apply so much to perishable articles you cannot keep but to those articles which you can keep for a time, with the object of distributing it over the whole of the year?—Yes.

118. Such as apples and lemons?—Yes.

119. There is a duty of 15 per cent. on tissue wrapping paper? Would it be to the benefit of your association to take that away with a view of increasing the export trade?—Yes, provided it is admitted in the flat and is cut in the Colony.

120. That is a considerable item?—Yes.

121. In connection with the Farmers' Association, what other things do you distribute?—We distribute practically everything that the farmer has to sell.

122. Please give us the names?—Fruit, vegetables, fodder, poultry, eggs, butter, grain, milk, cattle, etc.

123. Cheese?—We have not had any yet.

124. Anything else?—Yes, butter boxes, egg boxes, etc.

125. By vegetables you mean the green ones?—Yes.

126. Poultry?—Yes; there is a duty on poultry which comes out in cold storage.

127. Yes, it is chilled, as frozen meat. Would you advocate that the duty on poultry should be co-equal with that on meat?—I think it might be considerably higher.

128. The duty on meat now is 1d., and the resolution passed last Session was to increase it to 2d. So you think the duty on poultry is too little?—Yes

129. And ought to be increased?—Yes.

130. Has the poultry industry made any increase here?—Yes, enormous strides in the Eastern Province.

131. And what would you suggest as a reasonable duty to put on?—I should say 2d. per lb.

132. That will make it equal to what the meat will be?—Yes.

133. Would not that follow if you place an extra duty on meat?—*The Secretary*: Yes.

134. *Dr. Viljoen.*] Would you advocate that the duty be increased to 2d. independent of the duty on meat?—Yes; I don't think they should be classed together.

135. No, they are absolutely different. Do you distribute large quantities of eggs?—Yes.

136. What is the price of the egg you sell as compared with the imported one?—In competition we could get a better price, but frequently the imported egg is sold as Colonial. My suggestion is that all imported eggs should be stamped "imported"; we do not ask for an increase of duty, because we are satisfied that as soon as the eggs are stamped, the importations will practically cease, because very few people will buy the imported egg, knowing it is imported; but the public are being deceived to-day; large quantities of imported eggs are being sold as Colonial.

137. You are quite satisfied with the present duty provided the imported article is stamped?—Yes.

138. Explain how?—With a rubber stamp.

139. But that would wipe off?—Not if indelible ink is used.

140. Do you know of your own knowledge that the imported egg is a very serious competitor?—Yes, from my own experience.

141. And you know that these imported eggs, faked eggs, as they are called, are put on the market as Colonial eggs?—Yes.

142. And you have to compete with imported eggs passed off here as Colonial?—Yes. They are peddled from house to house by people who look like farmers. Old ladies peddle them. Unless some arrangement can be come to to stamp every egg, then we suggest an increased duty be imposed, say 35 per cent.

143. In your experience have you found that the *ad valorem* duty on agricultural produce is satisfactory?—As a matter of fact we are more or less satisfied with the present duty.

144. But as a general principle, would you not rather advocate a rated duty on agricultural produce in preference to an *ad valorem*?—Yes.

145. But it is not a very difficult thing to arrive at the value of agricultural produce?—Yes.

146. I mean to set a value on things which fluctuate very much?—Yes.

147. You do not ask for an increase of duty?—No.

148. You ask for a stamp on the eggs?—Yes.

149. And in the absence of that would you recommend a rated duty?—Yes, in fact it might be put on in this way; so much per thousand, equivalent to 35 per cent.

150. In preference to an *ad valorem* duty?—Yes.

151. Have you considered butter? Do you distribute much of it?—There is a ready sale as long as it is of good quality.

152. Do you belong to one of these Co-operative Creameries?—No, we have not arrived at that stage yet.

153. You do not distribute enough butter here to meet the requirements of the town?—In the season we do.

154. You cannot do it all the year round?—Not under present arrangements.

155. Do you expect that you would be able to do so?—Undoubtedly.

156. Can you tell us if the farmers are making arrangements to store sufficient fodder to keep their cattle over a period?—Yes, lucerne.

157. And you expect within a reasonable time to be able to supply sufficient butter in the Eastern Province?—Yes.

158. And export to the West?—Yes.

159. And to other parts of the Customs Union?—Yes.

160. Are you satisfied with the 2¼d. duty on butter?—I think we are fairly satisfied.

161. Has your Association ever given the question of the giving of a bounty on the products of the land their consideration?—Generally we are in perfect sympathy with the bounty system, and would like to see it brought about.

162. On the Australian system of encouraging the export of the article?—Not necessarily the exportation but the production of the article.

163. You want it on the production?—Yes.

164. On the article grown here, whether exported or not?—Yes.

165. Are you conversant with the bounty system in vogue in Australia?—No, but we have been discussing it.

166. It has done an enormous good in stimulating exportation?—Yes.

167. Do you know that in Victoria it has been the means of stimulating such a large exportation of butter that at present the quantities are so large in the English market that the Government have taken away the bounty?—Yes.

168. When we come to cereals, is your Association satisfied with the present duty?—More or less; we have very little to complain of.

169. Are there any exceptions?—We are mostly affected for wheat.

170. You are satisfied with the other duties?—Oh, yes.

171. And fodder, lucerne, and potatoes?—Well, we might take exception to potatoes; there is 2s. per 100 lbs., and I would advocate a larger duty on potatoes for eating purposes, leaving the duty on seed as at present.

172. Of course you are in favour of importing seed potatoes?—I see no reason why they should not be.

173. How would you prevent any fraud at the Customs; no doubt you have heard of such things?—Yes, I have experienced it here.

174. And it would be only confirming the experience of the West. The farmer is perfectly willing to pay the duty of 2s. on seed potatoes?—Yes, I think so.

175. You say you would advocate a higher duty on the imported potato if used for culinary purposes?—Yes.

176. What duty?—Let it stand as it is on the small, but larger potatoes pay 3s. 6d. per 100 lbs.

177. You do not want to penalise the man who imports good seed?—No.

178. What has been your experience here, in the Eastern Province; have potatoes been lower since the Convention, or higher?—Well, as a matter of fact, prices have been lower, but the production has been very much greater.

179. The price is lower. Is it not a fact that the price of potatoes is lower now than it has been for many years?—Yes, for 20 years I should think.

180. At this time of the year?—Yes; all our calculations have been upset this year.

181. And potatoes are selling on the market at a price not remunerative to the grower?—They were, up to a month ago, I think.

182. Have potatoes been imported into Port Elizabeth for domestic purposes?—Potatoes have been imported as seed, but sold as eating.

183. I suppose the importers were landed with the potatoes; they could not get rid of them?—Yes.

184. The business is not carried on on commercial lines?—No.

185. And there is a considerable loss on it?—They are not making a profit anyhow.

186. Both the area put under cultivation and the production of potatoes have increased since the Convention?—Tremendously.

187. Has this rated duty on potatoes been an incentive to the farmer to produce more potatoes?—Undoubtedly.

188. Why do they produce more?—Because they know there is a likelihood of selling them; they know the imported potato will not glut the market.

189. And the fact is that up to now the duty placed on the potato at the last Convention has not been a burden to the consumer?—Certainly not.

190. On the contrary the consumer has got his potatoes at a less price than before?—Yes, greater quantities have been grown.

191. Then you say that you are satisfied with the duty on alfalfa, compressed fodder, etc., except wheat?—I did not advocate an increased duty on wheat, but a bounty to the farmer.

192. On the production?—Yes.

193. What would your suggestion be?—That a farmer who produces a thousand bags of wheat of a certain grade, so much to the bushel, should get a bounty.

194. The principal thing is that you advocate a bounty to the farmer on the production of wheat?—Yes, it has been discussed generally amongst farmers, and I think it is the accepted view amongst them.

195. You do not advocate an additional duty?—No.

196. As to the question of the cheese; they produce a large quantity in the Eastern Province?—Yes.

197. And in the Transkei, I believe?—Yes, but I have not had much experience of it.

198. But generally this is a new industry, rapidly coming to the fore?—Yes, it has great possibilities.

199. Do you think we shall be able to produce a reasonable quantity of cheese in a short time to meet our requirements?—Undoubtedly.

200. Do you know the quality of the cheese?—Yes, very good.

201. And compares favourably with cheese from other parts of the world?—Quite favourably.

202. And is there a ready demand for it on the market?—Yes, we cannot get enough of Colonial cheese.

203. Has your Association asked for any increased duty on cheese?—Not so far. We think say 2d. per lb. would be better.

204. You cannot give us any opinion?—No; of course the duty to-day is 15 per cent. *ad valorem.*

205. It was a rated duty, and at the last Convention it was made *ad valorem* duty?—Yes.

206. Are you in favour of an *ad valorem* duty on cheese, or would you prefer a rated duty?—Rated duty, undoubtedly, on all foodstuffs.

207. On the same principle that you find it so difficult to get at the value?—Yes, why should expensive cheese come in at that duty?

208. Have you anything to do with bacon?—Yes.

209. Is the quality good?—Excellent; I am eating it myself.

210. Compared with the English article?—Yes, the quality has wonderfully improved during the last few months.

211. Is there a ready sale for your bacon?—Yes.

212. Do you produce sufficient bacon for the town?—Not at present.

213. Would you suggest anything with regard to bacon?—I think the duty is very fair, and I think the industry can be built up without extra duty.

214. Milk?—Also satisfactory.

215. And you are making condensed milk in town?—Yes, a factory has been started.

216. Are the members of your Association interested in sheep?—Yes, very largely.

217. Has the number of your sheep increased or diminished during the last year?—I am not able to say; I cannot give you any figures; I know generally they have increased.

218. Are the farmers satisfied with the prices they are getting at present?—Yes, I think they are getting fair prices.

219. Have they any difficulty in disposing of them?—Yes.

220. Do you advocate an additional duty on meat?—No; because there is no imported meat coming in here.

221. But it is coming in in other parts of the country?—Yes.

222. The grievance of the sheep farmer is not that the prices are unsatisfactory; he is satisfied with the prices; his grievance is that he cannot sell his sheep in large quantities. Is that your experience?—Well, there is a difficulty in selling sheep. Armstrong, the auctioneer, told me he could not receive entries for sheep for sale for five weeks; and if he put an extra 50 on, it would slump the market.

223. And the danger to the farmer is that if he has fat sheep and he cannot dispose of them, he has to hold them and they go off in condition and lose weight, and it is for that reason the farmer wants the duty on meat. Is that your experience?—

224. He expects to get a drop in prices, but he wants a market to get rid of his sheep?—Yes; we have no trouble here with imported meat.

225. You know the last Convention was for a limited period?—Yes.

226. Would the agricultural producer prefer to have it for a definite period?—Undoubtedly.

227. For a minimum period?—Yes.

228. It would assist him materially?—Yes; he would be able to put more land under cultivation.

229. And enter into contracts extending over some years?—Yes.

230. What would you say that minimum period should be?—Seven to ten years.

231. And the agricultural producer advocates that be cause he will be able to enter into contracts for a longer period, more of a permanent character?—Yes.

232. Do you know that on our railways there is a preference given to the Colonial producer?—Yes.

233. Is your Association in favour of these preferential rates?—Undoubtedly.

234. You look upon preferential rates as an additional protection?—Yes.

235. And you would expect that, if these preferential rates were taken away, you would get commensurate protection at the portss to make up for the loss?—Yes.

236. Would you apply these preferential rates to all Colonial articles as well as the raw material?—I think so.

237. *Mr. Scott.*] Do you know anything about fruit-packing for export?—Yes.

238. For delicate ripe fruit, can you suggest any improvement on the present method?—No, except that it should be handled as little as possible.

239. Do they use gloves for picking?—I don't think we have got to that stage. I suggested to farmers that they put paper on their hands, put it under the fruit and then cut and wrap it.

240. Do you use punnets; are you using them here?—Not at present.

241. But you think it will be beneficial for delicate fruit?—Yes.

242. And then you would pack your punnets into a crate and the fruit will go nice and fresh to market?—Yes.

243. And saves the fruit?—Yes.

244. As to cold storage, are fruit-growers using cold storage here?—Not at present.

245. Because I understood from the Doctor's remark that cold storage charges were rather excessive?—I think the Doctor was a little above the mark; I think 1½d. or 2d. for ordinary grape boxes.

246. *Dr. Viljoen.*] I don't think so. I was not referring to the grape boxes, I was referring to the boxes in which you put apples?—Personally I think you are paying too much there (Cape Town); we could get it done cheaper here.

247. *Mr. Scott.*] I don't want it to go forth that the cold storage people are charging too much.

248.] *Dr. Viljoen.*] No; I say it costs too much to keep the article.

249. *Mr. Scott.*] As a matter of fact cold storage is a great convenience to fruit-growers and produce people?—Yes, I should like to see Government take them over if they go into liquidation.

250. You suggest 3s. 6d. duty on 100 lb. eating potatoes?—Yes.

251. And how many are there in a bag, 150 lbs.?—Yes.

252. So it will be about 5s. per bag?—It is ½d. per lb.

253. Would it not rather increase the price?—I say we have enough potatoes in the country without any coming in.

254. But supposing there was a drought in the country, what would you suggest?—Suspend the duty.

255. With regard to eggs, I understood you to say you prefer a rated duty on eggs?—I am not particular as long as the duty is increased.

256. Are Colonial eggs being stored in cold storage?—Only in bulk; they are broken and put into tins.

257. They are not stored in crates?—No.

258. But they could be stored?—We have not the proper facilities here.

259. I understand they are doing it in the Western Province in cold storage?—I hope it will be a success, but to be successful the egg must be stored directly it comes out of the nest; you cannot keep them if they are not fresh.

260. *Mr. Harlow.*] With reference to grain production, what proportion of wheat do you produce?—I cannot give you the exact figures.

261. About how much was produced in the district during the last 12 months? —About 10,000 bags.

262. Would you prefer to keep the duty on as it is, is that any protection to the farmer, or give a bounty?—I would keep the duty, and also suggest a bounty.

263. Why allow the duty to remain as it is when you do not produce sufficient for the requirements?—But we should be able to do so; farmers would then go in more largely for wheat growing.

264. More if a bounty were offered than under the duty?—Yes.

265. But at present there is no possibility of supplying the necessities that exist?—Not at the moment.

266. Nor during the next five or six years?—I do not agree with that; the mealie crop has quadrupled itself during the year, and why not in the wheat crop.

267. In reference to your suggestion for stamping eggs, what was the value of the eggs imported last year?—Anything up to £80,000.

268. £18,000 worth were consumed in the Colony, have you got that quantity of eggs here?—We shall have next year at any rate.

269. You suggest a further duty on eating potatoes, why more than others?—Simply because we are producing larger quantities of eating potatoes than we did before.

270. But you are aware that a very large quantity of seed potatoes are imported into the country?—No; it is not a very large quantity; it is not so much now as it used to be.

271. £24,000?—That is nothing.

272. Have you over-production in the Colony now?—Yes; the market has been glutted with Colonial potatoes. I give you one instance; I had 6,000 bags which I could not get rid of, and I cabled to Mauritius, but without result.

273. Then you have a quantity of stuff and the price would not be increased to the consumer?—No.

274. Have you any difficulty in getting labour for the farms?—That is a matter which does not concern me; but there are difficulties.

275. Have you thought of any solution of that problem?—Well, the poor white seems to be the most useful idea.

276. Are the industrial schools for poor whites doing any good, do you think?—I think so.

277. Is it not a fact that they are turning out the legitimate tradesman?—Not on the farm.

278. Is it a fact that it has occurred in Uitenhage?—I do not think it is a serious thing; I know that poor white school very well.

279. Is it not a fact that pretty well all the farmers' work is given to the school? —No, the workshops will do it; the Government workshops. They will repair machinery.

280. I mean wagons, and so forth?—It is not a serious thing; the work of the school is not first class.

281. What would you suggest: getting more competency in the school; a more competent class of men?—I certainly think the Government should pay good men to look after the school, instead of having a jack-of-all-trades and master of none. Experts for each trade.

282. Do you think the school should be self-supporting?—No, I do not.

283. It could be made to pay its way?—Why should it, any more than any other educational school?

284. Because it is practically doing work that the people do.

285. *The Chairman.*] I do not want to argue what the present Government have done, but you say the Exhibition did good in bringing South African products before the people?—Yes, far more than we thought it would.

286. Then don't you think it is necessary to spend money on the same lines?—Undoubtedly.

287. I was not alluding to any individual.—I believe in work and not bluster.

288. You think it necessary that these things should be kept before the public for developing the industry?—Yes.

289. Have you any difficulty as to substitutes which come in as butter?—Margarine has come in, but I do not think it has affected the butter market.

290. Then as to the bounty on wheat; don't you think that will affect other Colonies and prevent them getting their revenue?—Yes, inasmuch as we are the greatest producing Colony at present, I mean in this country.

291. But don't you think it would be a difficulty in the way of a Customs Union?—I say that protection should take precedence of a Customs Union, if it comes to a point.

292. Then there is the question of a rated duty on cheese; would you have a rated duty as well as an *ad valorem*?—The quantity is not large.

293. But there is a large quantity consumed?—Not of the high class.

294. Is there any necessity for it?—I don't think so.

295.. *Dr. Viljoen.*] You said there was a large quantity of potatoes you could not get rid of; you had no demand?—No.

296. Potatoes were a glut on the market?—Yes.

297. What was the average price for old potatoes when you could sell them?—3s. to 3s. 6d. per 100 lbs.

298. *Dr. Viljoen.*] And that is about the duty.

299. *Mr. Pyott.*] What is the price to-day?—4s. 6d. old, 9s. 6d. new.

Brian Kenard Mayo, farmer, representing the Bayville Farmers' Association, examined.

300. *The Chairman.*] What are the points which you wish to state to the Commission?—I was staying at Uitenhage when I received a wire from the Bayville Farmers' Association, asking me to come here and give evidence on their behalf to uphold the present tariff on lucerne hay, that is 2s. per 100 lbs.

301. You are quite satisfied with the present duty?—Yes, and they want me to impress upon the Commission that the tariff had done a considerable amount of good in bringing business into the hands of the Colonial farmer, whereas they had been kept out of the market before by the imported fodder. The present tariff has certainly made a difference, and in this way, it has induced the merchants to deal largely in Colonial alfalfa or lucerne hay. Previously owing to the difficulty in collecting from individual farmers it was not easily got at in this country.

302. *Dr. Viljoen.*] Of course, you knew that the prosecution of alfalfa came into force with the last Convention, in 1906?—Yes.

303. You were only speaking for lucerne. Of course, you as a farmer would advocate the retention of the duties on other agricultural produce, such as oathay and oats, etc.; I think that would go without saying?—I certainly think that would be in our minds.

304. You do not single out lucerne alone; you mean the whole of the agricultural produce protected by the last tariff?—Yes.

305. And you don't want any further protection?—No, it is not necessary.

306. Has this protection which you have had of 2s. per 100 lbs. been a stimulus and an incentive to the farmer to produce more, to put more land under cultivation? I cannot say that it has done that; I can say this, that whereas the farmer's business of fodder growing was waning very considerably, that has been stopped, and there is a tendency in the other direction.

307. That is what I mean; if it had not been for the duty, the thing might have died out?—Yes.

308. Now, has the price of alfalfa increased since the duty was put on?—No, it has not; it has never been lower than to-day.

309. Then it is lower?—Yes, than several years ago; it has made no other difference in the price.

310. And are you aware that also applies to other agricultural produce, such as oathay, which is lower than it has been for years?—Yes, it is.

311. Potatoes were also specially protected last Convention, taken from the *ad valorem* class and put in the special rated class? Potatoes are cheaper to-day than they were before?—Potatoes only interest me so far as my own table is concerned.

312. But have you heard?—Yes, I know that everything in the way of Colonial produce has been very cheap.

313. So that the special rates put on at the last Convention have not been an additional burden on the consumer?—Absolutely none, so far.

314. You know there are certain preferential rates on agricultural and other Colonial produce carried over the railway?—Yes.

315. Are you in favour of the retention of these preferential rates on the raw products of the land?—Yes.

316. I mean oathay, lucerne, etc. These are the raw products of the land. You see if you sent your lucerne from Port Elizabeth to the Border at Norval's Pont, you send it as Colonial produce at ¾d. per ton per mile, and the imported article has to pay 1¼d. Are you in favour of the retention of this preference?—Yes, I am in favour of that. I think everything should be done to protect the Colonial producer, providing he is not acting unfairly by his country. I do not want to see anybody lose by carrying this stuff over the railway at a lesser price than other goods are carried. If you give the Colonial producer a rate at which he can carry his goods over the railway which does not pay, then I say that man is not acting fairly by his country.

317. Providing it is a minimum paying rate?—Yes, it must be a paying one. I think you should carry this stuff at as low a rate as possible over your railways, otherwise the industry in an infant condition has no opportunity of developing.

318. Of course, you would not be in favour of the stuff being carried over the railways at a loss to the State?—No, certainly not.

319. Would you prefer the Convention, which will be entered into, to be for a definite period, so far as the farmer is concerned?—I think that is essential, and for this reason. Since we have been dealing in alfalfa hay (as a matter of fact, I think it was first started in the Eastern Province by my partner and myself, and possibly in the Colony, I mean offering lucerne on the public market], the industry has grown greatly, and got into a large business. We have contracted with Natal and Cape Town for some thousand of bales to be supplied to them; you cannot supply a large quantity of stuff like that in a few weeks; you have to be preparing from one season to another. You may have taken a contract for twelve months, and if there is any likelihood of your tariff changing it would make you consider; so that in entering into a business like this you must know where you are and what you are doing.

320. I understood you to say that you are not very conversant with other branches of agriculture, such as the production of oathay and potatoes in a large way?—I have been a hay producer on a large scale, but I am not so much concerned in the hay as I was; but I come from a district where they are very much concerned in hay producing.

321. There are other farmers in the district who are concerned?—Yes; we all produce oats.

322. In that case you would also want the present duty to remain?—I think a protective duty on all kinds of produce would be useful to the country; it is necessary for the country for a time; I do not say we should look forward to having the protection of a tariff for ever. One of my chief reasons for thinking it is a wise thing for the country is the fact that the mere having of this tariff has led to the placing of the alfalfa industry on a sound basis.

323. Can you tell the Commission whether other things besides lucerne have increased in the area of your Farmers' Association since the tariff was imposed?—I cannot say.

324. I mean agricultural products, such as potatoes, mealies, beans, etc.?—I cannot answer that.

325. *Mr. Kayser.*] Can you inform the Commission whether there are other large tracts of land now being cleared for the purposes of agriculture in your district?—Oh, yes, both in the locality in which I am, and lower down. There is a strong tendency in that direction and irrigation schemes are being forwarded.

326. *Dr. Viljoen.*] Is that for the production of lucerne?—I think the fashion seems to be lucerne; the locality is suitable for that above everything else.

327. *Mr. Kayser.*] Is there any fruit grown your way?—Yes, large quantities; men have gone into growing fruit there on a commercial scale. They have planted trees in orchards in up-to-date fashion.

328. Are men not planting fruit trees in other parts too?—I have no knowledge of that; they may be.

329. *Dr. Viljoen.*] Besides converting the lucerne into hay a larger quantity is now being consumed for stockfeeding, etc.?—Yes.

330. They produce more now not only for selling but for consumption on the land?—Yes, we are putting more into the stock every year, and the increase is general.

331. *Mr. Harlow.*] Is there any tendency to grow cereals round your way?—No; I cannot say there is. It was tried when farming was young in the district, and they did not do well at it. There are local difficulties to be contended with, and there was no profit in it.

332. And there is no probability of it being a cereal country?—No.

333. *Mr. Pyott.*] You grow considerable quantities of mealies locally?—Yes, but I chiefly grow barley, for farm purposes. I think it is the most valuable crop that farmers can grow for stock.

334. The duty on lucerne hay at the present moment is 2s.?—Yes.

335. And before that?—1s.

336. The tariff imposed by the last Convention has given a filip to the growing of lucerne?—Yes.

337. You are aware that lucerne is being grown all over the country in large quantities?—Yes. Before the tariff, men were living on the hope that something would be done; the marketing then was a poor business; the imported stuff was in favour. There was a tendency to try and find something else to grow; now that industry has returned to the growing of lucerne.

338. Your prices were considerably more some months ago than they are to-day?—Yes.

339. So there must have been more production?—Yes.

340. Competition had brought down your prices?—Yes; it is chiefly the railway development which has helped to bring down the price of lucerne.

341. *Mr. Scott.*] Is there much land available for growing lucerne in the district?—A very large quantity; I do not suppose there is 25 per cent. of the land taken up which could be utilised.

342. Then it will be well watered?—It is well watered.

343. Are there any districts which could be improved by irrigation schemes for lucerne growing?—In our part of the world, yes; there are enormous tracts of country which could be irrigated, and will one of these days.

344. And would there be water available?—Yes, there is sufficient for that purpose, if reservoirs and dams were made.

345. This lucerne is very beneficial for feeding purposes on the farm?—Yes, it is a very good feed indeed.

346. And would increase the production of butter-making?—Yes, very largely, I should say.

347. *Mr. Pyott.*] Can you give us your experience of feeding cattle on lucerne and on grass?—I have not gone into that branch of cattle farming; I would not like to speak without being able to give figures.

348. You think it is very favourable for dairy farming?—Yes.

349. You have a district up there for carrying cattle?—Yes, a tremendous lot.

350. *Mr. Scott.*] The mere fact that the tariff is maintained helps to cheapen the cost of lucerne, butter, etc.?—Yes, it must; the producing of such large quantities must have that effect; the prices show it.

351. *Mr. Pyott.*] You run certain risks in feeding cattle on lucerne?—You can always reduce your risks to a calculable percentage.

352. *The Chairman.*] Since this tariff was put on you have been able to develop your industry, and put your lucerne in a more profitable way on the market?—Yes, we have first-class baling machinery.

353. And farmers are developing such helps to get the market?—Yes, all classes of machinery are being bought.

354. And that will be continued?—Yes.

355. You have no doubt the supply will be kept up, even in drought?—As far as our part of the country is concerned drought would not materially affect our output, because we have irrigation; we rely entirely upon flood waters; and unless we had a serious drought we should not be materially affected.

356. *Mr. Kayser.*] The imports of fodder in 1906 were £15,470, and for the six months of this year there were only £77; and we exported for the first six months to the Transvaal and other places £34,000, the Transvaal taking £22,000 of that amount.

357. *Dr. Viljoen.*] Making a difference on the total for the six months of £52,000.

358. *The Chairman.*] I suppose you would agree that the policy adopted at the last Convention, when there was a scarcity or drought in any part of the Colony, that special low rates on the railway should be given for that purpose?—Yes, I would be in favour of that. I think there should be no necessity for changing our low. During the past twelve months the price for alfalfa hay has been remarkably low. Our people were always expecting a rise, thinking that there could not be very much more in the country; but as soon as there was the slightest rise in the Johannesburg market the Oudtshoorn people began to throw their stuff on the market, with the result that prices went down again. Every time there has been a bit of a rise the Oudtshoorn stuff came forward.

359. In the ordinary course of events there is no chance of us having a famine?—No, I don't think so.

Biscuit and Cake Making.

Lennox Mackay, of the Algoa Milling Company, who appeared with Mr. Mudie, of Pyotts Ltd., made the following statement *re* the Biscuit Industry:—

"The Biscuit Industry started in Port Elizabeth some 23 years ago in a very small way and primitive fashion, then practically struggling. We have passed through many Customs Tariffs, ranging from 12 per cent. to 7½ per cent., and latterly to one brought in by the last Customs Convention of 25 per cent., and it is only since the last duty came into force that biscuit manufacturers have been able to make headway, as previous to this they suffered great disabilities, owing to the low duty on the manufactured article, and the high duties charged on all raw material used, but this was rectified at the last Customs Convention. Biscuit-making is one of the industries which can be built up from the raw materials practically grown and manufactured in South Africa. Butter we are now getting in increased quantities from year to year, but one difficulty the manufacturer has to contend with in Colonial butter is the multiplicity of grades and samples which he has got to buy in any market in South Africa, but this difficulty should be got over by co-operation. Manufacturers are now able to secure increased supplies of Colonial eggs, also supplies of Cape Sultana raisins, which are largely used in cake making. In appearing before this Commission as biscuit manufacturers, we do not ask for a higher tariff, but that the present tariff should be continued, and if this is done the four factories which are now in existence in Port Elizabeth to-day will develope, giving employment to a large number of our own people, and as materials are produced in this country, will give a large outlet to our farmers; for instance, we would just like to place before this Commission what we suffered before the previous Convention, when the tariff on biscuits from overseas was 7½ per cent., and that on flour 2s. per 100 lbs., sugar 5s. per 100 lbs., butter 2d. per lb., eggs 10 per cent., and dried fruits 2d. per lb., which build up the making of nearly all classes of biscuits. The present factories have the plant whereby they can double the output. When further protection came into force, it gave a reasonable impetus to trade, and although many of our raw products bore an increased duty, we have been able by the larger turnover to still continue to place our biscuits on the market at former rates. Practically the difference between the current retail price of a Colonial-made biscuit and an English biscuit ranges from 1d. to 4d. per lb. in favour of the consumer."

360. *Mr. Scott.*] Have you any suggestion as to the duration of the tariff?—It should be made permanent. (Laughter.) Well, at least for five or ten years.

361. *Dr. Viljoen.*] You are actively engaged in the manufacture of biscuits?—Yes.

362. What proportion of Colonial produce do you utilise in the manufacture of your biscuits?—All that can be got.

363. That is not the answer I want. Supposing you made 100 lbs. of biscuits, what proportion of the ingredients would be Colonial produce?—

364. *Mr. Mudie.*] It would depend on the biscuits, but all the Colonial butter, eggs and fruit we have been able to get have been used in the manufacture of biscuits.

365. Yes, but cannot you give the proportion of the Colonial produce used in the manufacture of the biscuits?—No, I have no figures. The flour and sugar are imported.

366. Has all the flour utilised for biscuits to be imported?—Yes, or manufactured by us at our own mills.

367. And the sugar?—Yes.

368. Eggs are produced here?—Yes.

369. What proportion of eggs do you import?—I cannot give you any figures on that point.

370. Do you import largely?—No.

371. Do you import any?—I could get the quantities of eggs we have bought locally or imported.

372. But you are not in a position to tell us what proportion of eggs used are Colonial or come from oversea?—I have no figures I can give you.

373. It may be a larger or smaller, but a certain proportion come from oversea?—Yes.

374. Do you import butter?—Yes.

375. And Colonial?—Yes.

376. What is the proportion?—There, again, I shall have to give you figures; but I may say for six months of the year.

377. We are buying Colonial butter, and for about six months we have to rely on the imported article, on account of the price. We could buy Colonial butter from 7d. to 1s. 3d. per lb., and the imported article 1s. 2d. to 1s. 4d.

378. Is Colonial butter cheaper to you?—Yes, when we can get it.

379. If you could get sufficient Colonial butter, you would prefer it?—Certainly.

380. From sentiment or on account of the quality?—Of course, quality has to be taken into account. There are so many grades that we think it should be regulated.

381. What other ingredients do you use?—Fruit.

382. You mean raisins?—They are largely used in cake making.

383. You use raisins?—Yes.

384. Are they imported?—Both Colonial and imported.

385. What proportion of the Colonial to the imported?—Well, I have not got the figures, but I will be able to tell you.

386. Why do you use imported raisins?—Because until lately we have not been able to secure Colonial raisins.

387. Why not?—Because they have never been able to give us them. For instance, we cannot get them to-day.

388. Have you ever made any serious effort?—Undoubtedly. Only the other week we wrote to the Western Province for a supply of raisins, and could not get them.

389. Is the Colonial raisin as good in quality as the imported article?—Yes.

390. Is it just as cheap?—Yes.

391. So it is only a question of not being able to get them?—Yes, a question of supply.

392. *Mr. Tod.*] What class of labour do you employ in biscuit-making?—Skilled white labour in the manufacturing.

393. What proportion would white bear to coloured or black?—Nine whites, twenty-three coloured, in actual manufacturing.

394. Are any of these coloured skilled?—No, simply labour. All the skilled work is done by whites.

395. Does not the differential railway rate help you?—There is a difference in favour of the Colonial article.

395. What is the amount on the value?—Merely trifling.

397. If done away with it would not make much difference?—No.

398. I ask that because there is no doubt an effort will be made to do away with preference rates, and the Commission want to hear how far it will affect the different industries?—A lot would depend on the class of goods. Some weigh heavy as compared with others.

399. *Mr. Harlow.*] Is there any prejudice against Colonial manufactures?—Yes, there is a great deal.

400. You would not be surprised to hear there is a great amount?—In any case, I know we are increasing our output; the prejudice which has existed is gradually breaking down.

401. You say you still wish this 25 per cent. *ad valorem* duty to remain?—Yes.

402. Would you be surprised to learn that Port Elizabeth goods are being sold in Cape Town 100 per cent. cheaper than the oversea imported article?—We should like to hear about that.

403. You manufacture rusks?—Well, you will find the same thing in Port Elizabeth as to rusks.

404. They retail at 1s. per lb. to 1s. 3d., and the imported article is 2s. 6d. per lb.?—And sometimes less.

405. And you still ask that this lead be kept up?—Undoubtedly, because I am paying practically 25 per cent. on the raw material.

406. Have you any difficulty in getting skilled labour?—Of course, you cannot get it here; it has to come from Home.

407. You have been in existence about 22 years?—About that time.

408. Have you never brought in apprentices?—Very few.

409. Have you any now?—We have.

410. So you are training them yourselves?—Yes.

411. And eventually you will have to import?—No. We had one who practically learnt the whole of the trade in our place.

412. So it is possible to teach them?—Yes, we do.

413. Have you indeed?—We have one apprentice in the biscuit factory and other three in the confectionery department who are being trained. They are white.

414. What hours do your men work in the factory?—Fifty per week.

415. Is that the prevailing working hours?—I believe 56.

416. Do you use any female labour in your factory?—Yes, in the packing department.

417. In what proportion?—We have about 50 whites altogether.

418. You use tin boxes for packing your biscuits in?—Yes.

419. And manufacture them on the premises?—Yes, from the sheet tin.

420. And your printing?—We get that from Home.

421. Is it not possible to have it done in the Colony?—It may be in the future, but at the present time the prices are prohibitive. We have submitted orders in the Colony.

422. Are you aware that some of the jam factories and so forth have the whole of their printing done in Cape Town?—It may be so.

423. If it pays one, it will another?—We intend to get ours, if possible. We always give the local people the first chance.

424. Supposing you wanted a large stock of printing done; would you call for tenders in Cape Town or oversea?—We should naturally first get the price here before going oversea. We should find at what the Colonial printer could do.

425. You are not satisfied with what they can turn out?—Oh, yes, but it is a question of price.

426. The work can be done in the Colony?—Yes.

427. Labels?—I fancy they can. I am not certain if they can be done here, but in Cape Town the printers have a considerable plant, which will enable them to turn out the whole thing.

428. There is a great deal of controversy in reference to printing. Some of the Colonial firms are apt to say, "While we are asked to quote for an order for 25,000, the Home firm is asked to quote for 250,000." The Colonial printer is then at a disadvantage?—But we do not treat them in that way.

429. It has been done in the past?—Well, it is unfair.

430. You mean put the Colonial printer on the same basis as the oversea firm?—Quite so; we should take into consideration what the price would be for the same quantity.

431. *Mr. Pyott.*] In regard to printing, I think your firm submitted an order for jam labels to Cape Town?—Confectionery labels.

432. What was the difference?—I think it was rather double the price.

433. Can you get the information and place it before the Commission?—Yes.

434. As far as my memory serves me, your firm also placed jam labels before a certain Cape Town firm?—Yes.

435. What was the difference between the imported label and the Colonial one?—I shall have to look up those figures.

436. In asking for this 25 per cent. to remain, can you give us a specimen of what you are doing to-day, only you want it to remain?—Yes. [*Witness then read the following*:—]

MIXED BISCUITS.

3,400 lbs. flour at 2s. 3d.		£3 16 6
1,300 lbs. sugar at 3s. 6d....		2 5 6
468 lbs. butter at 2d.		3 18 0
260 lbs. syrup at 3s. 6d.		0 9 1
Chemicals, etc.		0 0 6
		£10 9 7
English Cost:		
4,989 lbs. mixed biscuits at 35s. per 112 lbs.	£77 18 0	
Less 10 per cent.	7 15 10	
	£70 3 2	
at 22 per cent.		15 8 8
In favour of Colonial manufacturer		£4 19 1

Mr. Pyott.] And you are still at a disadvantage in cake-making?—Yes. [*The witness read the following particulars:*—]

CAKE.

40 lbs. flour, 2s. 3d. per 100 lbs.		£0 0 11
18 lbs. butter, 2d. per lb.		0 3 0
Fowl eggs, value 12s., 15 per cent....		0 1 10
22 lbs. sugar, 3s. 6d. per 100 lbs.		0 0 9
Fruit, 54 lbs. at 2d.		0 9 0
Sundries		0 0 3
		£0 15 9
Turnout:		
156 lbs. cake, say, 6d. per lb. English ...	£3 18 0	
10 per cent.	0 7 9	
	£3 10 3	
Duty at 22 per cent.		0 15 5
Difference against Colonial manufacturer		0 0 4

437. *Mr. Pyott.*] As to the question of Colonial butter, are there not seasons when you can get all your requirements in the country?—From December to May.

438. What is the difference in price between the imported and Colonial butter to-day?—Colonial 1s. 6d. to 2s. 3d., imported 1s. 4d.

439. With reference to the variation in the quality of the butter, what is the difference you find in working Colonial butter?—There are so many different grades. There is no uniformity in the quality.

440. What do you have to complain of?—There is too much milk in the butter; it is not properly worked out.

441. How can you get over that difficulty?—By getting an even quality of butter.

442. Is it not a fact that you have practically got all your supplies of Sultana raisins during the last month in the country?—Yes.

443. Up to what time?—It is sometime now, as we had a fair stock, and when we wrote round the other week they had no stocks on hand. The stone raisin we cannot use, as we should have to stone them.

444. Have you used large quantities of imported eggs during the past year?—A fair quantity, but I cannot give you the figures off hand.

445. What is the capacity of your plant?—We could turn out 5 tons per day.

446. What are you doing?—About half of that.

447. Practically half of your plant is standing idle?—Yes.

448. How do you account for that?—The present dull times.

449. Has there been any increase in the business since the introduction of the 25 per cent.?—Yes; in the first year we increased 15 per cent., and the second year 26 per cent.

450. What is the cost of producing a ton of biscuits?—It would depend on the quality of the biscuit. From 35s. up to £30 per ton.

451. *Mr. Scott.*] I understand one of the difficulties of cake making is that you have to pay duty on most of the articles which enter into the making of the cake-fruit, raisins, butter, etc.?—Yes.

452. Are your biscuits better?—We do not say that; but we say they are equal in quality.

453. They will bear comparison?—Yes.

454. Are you able to produce sufficient for the requirements of the present population?—We could do twice the amount we are doing just now.

455. Of course, if you had more production you might be able to reduce the price?—The greater the production the lesser proportionate cost of production.

456. The question of labels is one of skilled artizans and plant?—Yes.

457. Some of the printers are doing the best they can. It takes a long time to become efficient in this special work?—That is so.

458. But in all fairness to the printers, they are doing the best they can?—Yes.

459. *The Chairman.*] In the manufacture of biscuits and confectionery is butter alone used, or are substitutes used, such as margarine or cottolene?—We do not use that.

Building Trades embracing Carpentry and Joinery, Glass Embossing and Bevelling, Leaded Lights, Leaded Pipes, Shop Fitting and Stone Cutting.

Thomas William Reynolds (with whom was *Harold Ronassen*, both representing the Port Elizabeth Master Builders' and Allied Trades Association) put forward the following proposals:—

Rough and sawn timber all sizes from 4½ x 1½ or its equivalent ...	Free.
Flooring and ceiling boards, planed, tongued and grooved ...	15 per cent.
Boxwood in shooks ...	15 per cent.
Pickets, mouldings and skirting ...	25 per cent.
Hubs, rims, spokes, felloes, tent poles and poles ...	25 per cent.
Windows and casements ...	25 per cent.
Doors, all sizes ...	25 per cent.
With a minimum of 3s. for 1¼", 4s. for 1½", 5s. for 1¾".	
All manufactured joinery otherwise enumerated ...	25 per cent.
Sheet glass and polished plate, not bevelled, silvered or embossed	3 per cent.

460. *The Chairman.*] You wish an increase of duty?—Yes.

461. For what reason?—So that we can increase our work, keep our plant going, and give us the opportunity of making an industrial population, which we consider is necessary for our trade.

462. Under the present duty you cannot do it?—No.

463. Do you think the present depression has affected you?—Yes, very much; but we think if we had increased duties we should not have been affected so much.

464. You think that most of the things imported would be made here?—Yes.

465. *Mr. Tod.*] You are able to do a certain amount of business now in competition with the imported article, even under the present tariff?—We do a little, but not so much as we should if prices were equalised more.

466. You mean you are too near to the cost of the imported article?—Yes. If we had an increased tariff we should be able to employ more white people, as well as young men and lads, because this is probably the only Colony in which there are no apprentices. These lads drift away to other countries or become soldiers and police constables.

467. If you have a tariff on these articles it will enable you to find employment for Colonial lads, and so bring them up to a trade?—Yes. At the present time our lads are not brought up to a trade.

468. But would not the coloured labourer enter your factories?—No, he would only do what in other countries the unskilled labourer does.

469. An extension of your industry would mean more work for the skilled white artizan?—Yes.

470. What countries are your competitors?—England, America, Norway and Sweden.

471. And you do not think a less amount than you ask for would be sufficient? —No. Most of us have lived in other countries, and we have gone into the matter carefully, and we put the figure down as the minimum.

472. *Mr. Harlow.*] To what extent is this going to affect anyone wanting to build a house?—I think the effect will be to cheapen the house.

473. How?—There would be more to do, and hands and machinery would not be on short time.

474. Have you any apprentices?—Yes, I have one.

475. Would there be a tendency under this tariff to increase the number, enabling a boy to learn a trade and thus train up skilled colonial workers?—I do think there would be in this Colony.

476. What is your rate of pay to mechanics?—It averages 18d. to 21d. per hour.

477. What is the standard wage?—Practically there is no standard, as men are out of work. Those in employment accept the figures I have mentioned.

478. Does the Master Builders' Association recognise the Men's Association? —Yes, we do.

479. And therefore you have a mutual rate of wage?—We did have, but since the bad times the men have offered themselves at any wage they could get. They have met us in every way.

480. *Mr. Pyott.*] What is the present duty on flooring and ceiling boards?— I think it is 3 per cent.

481. And you want to increase it to 15 per cent.?—Yes.

482. Will that cause ceiling and flooring boards to be made in the country from rough timber?—Yes.

483. You do not mean to convey that by having this 15 per cent. you can make cheaper flooring and ceiling boards than you could import them?—No, it would not make them cheaper.

484. Do you feel that this increase would bring the trade to the country?— Yes. They are all things which require skilled labour. You could not put in unskilled men on any one of these things.

485. Can you give the Commission an idea of what would be the extra cost to build a house, say of £500, under the proposed tariff?—I will be very pleased to do so. I will hand it in before the Commission ends.

486. *Mr. Kayser.*] How many men do you employ?—Forty-eight, including boys, about half white. In my joinery business my mechanics would be about half. There are no coloured joiners working in Port Elizabeth anywhere.

487. With regard to doors, you mention a minimum for certain sizes. In your opinion that would not make any increase to the cost of the house?—It might be to the door, but not to the house. The value of the house door at present is 5s. 9d. at the foreign factory.

488. Would you be surprised to know you can buy 1¼ inch doors at 4s. 6d.?— No.

489. Take the door as being worth 5s., the duty is 9d.?—No, there is a minimum for special sizes.

490. Notwithstanding your suggestion of an increase of duty by 2s. 3d. you think there would not be any extra cost for the door?—To the door, but not to the building.

491. Where would the money disappear to?—By an increase of work for those in the trade the cost of production would reduce the cost of the house from the first to the last. We should get a quicker and better class of mechanics.

492. You would not employ a skilled mechanic to make doors?—Yes.

493. Are they not made by machinery?—Well, you cannot run a machine without a skilled mechanic. The reason we put a minimum on was to follow the example of Australia, which has had such fine results.

494. Are doors exported to Australia?—I do not think so. When I lived in Australia imported doors were not generally used, only probably a few were imported, and there might be special purposes for which they were used.

495. What difference would this extra duty make on the doors of a house of £2 per month rental?—It would increase the cost of doors, but an increased tariff would probably make the house cheaper.

496. And the duty on floorings and ceilings?—My answer to that is the same.

497. As to manufactured joinery not enumerated?—We want all classes of joinery protected.

498. What does that mean?—It is a regular term in the tariff.

499. Will you tell us what protection you have had up to the present for doors, windows and joinery?—About 15 per cent.

500. Have you no protection in the freight?—I cannot tell you as I am not a shipper.

501. Do you know that the freight on rough timber is very much less than on manufactured articles?—I cannot say, as I have not been engaged in that.

502. Do you use any Colonial wood in your work at present?—No.

503. All wood would have to be imported?—Yes, for the buildings alone.

504. Have you any preference over the railways?—No, I do not think so, at any rate we are satisfied with what there is.

505. Would you be surprised to hear that you have 20 per cent.?—No. The Master Builders' Association is satisfied with the railway rate.

506. You did not know that it exists?—Yes, but I did not know to what extent.

507. Then you do not know what proportion the railway preference would be on a case of joinery?—No.

508. *Mr. Scott.*] Of course, you are not so conversant with the railway tariff as you are with manufactures?—No.

509. I suppose the object in asking for 25 per cent. is to keep out the cheaper article?—Yes, what we call shoddy stuff.

510. Why do you call it shoddy?—Because no other place in the world would take such goods in bar South Africa, which is the dumping ground for it all.

511. Do we get all these shoddy doors?—Yes.

512. Do you think you could make better doors?—Yes.

513. I think you will have a difficulty in making that 2·6 x 6·6 x 1¼ door?—We are anxious to make that cheap door.

514. Your protection will make that door cost 4s. extra?—We are not anxious to make the 1¼″ door.

515. You were asked if the increase in the door would make any difference to the poor houses of three or four rooms, with say four doors. Do you mean 16s. increase?—Yes, but the rest of the woodwork being made under more favourable terms would compensate for that 16s.

Harold Ronassen gave evidence on joinery.

516. *Mr. Scott.*] I notice the first thing on your agenda paper is flooring and ceiling boards, tongued and grooved. At present there is a duty of 3 per cent. on the articles and you propose 15 per cent. Can you give us any reason for the increase?—I think we can make the flooring boards in the country if we get the protection of 15 per cent. At the present time it is out of the question to do so.

517. Can you tell us why it is out of the question?—The duty is the same on the raw material as on the plain boards, 3 per cent. Then we have a disadvantage in freight to the tune of about 10s. per standard of flooring, and of 15s. per standard on ceiling boards.

518. You are at a disadvantage because timber comes in the rough, and the other is planed, and does not occupy so much space. What do you estimate the difference as?—It would cause a reduction of 15 per cent. on flooring boards, and 23 per cent. on ceiling boards.

519. I suppose you would draw your timber from Sweden and Norway?—For this purpose, yes.

520. Are you aware we can produce Colonial timber for such purposes; yellow wood, for instance?—In some parts of the country I am aware that they do so,

but so far as Port Elizabeth is concerned I have never seen yellow wood ceilings, but for floorings we use it for special purposes.

521. Are there any other people in this line of business with machinery in Port Elizabeth?—Yes.

522. Would they draw their supplies of timber from the timber merchant?—Some would, and some would import.

523. Can you tell the Commission how much the extra duty of 15 per cent. would mean on a foot of flooring?—I think it is 9d. per 100 feet.

524. It would be, of course, a very small proportion, somewhere about one-twelfth of a penny per foot?—It would be about 22s. per standard, I estimate.

525. Then you think 15 per cent. would just enable you to compete?—Barely compete.

526. Would it shut out the imported flooring?—No.

527. The importer would still get his margin?—Yes.

528. And the Government; would it get an additional 12 per cent.?—I think some merchants would draw locally, and some import.

529. Can the merchant do this himself?—Yes, I do not see why not, that is of course if they put down the plant. As this work has never been done in the country it would be difficult for me to say how it would pan out.

530. Do you mind giving the present cost of imported flooring here. I mean including freight, insurance, and landing charges?—A standard of flooring costs £13 laid down here, that is taking the present market rates, which fluctuate a good deal.

531. And if you manufacture it here what would it cost?—£13 15s. 6d.

532. It means 15s. 6d. more?—Yes.

533. So it would cost a little more?—Yes.

534. So you think in your mind you are not asking too much?—No. We shall barely come out, it is a question whether we can do it.

535. Is it going to make much difference on a house of £600?—It would be 12s. 6d. on the flooring boards and 7s. 6d. on ceiling.

536. Of course, there would be corresponding benefits to you. If you manufacture the flooring boards here it would keep your machinery running, and you would do it in the winter time?—We could if we were running for stock when we had no other work to do.

537. And therefore it would half reduce the cost of your establishment?—Yes.

538. Then there are corresponding benefits?—Yes.

539. *Mr. Kayser.*] As to the duty on shelving boards. It is now 15 per cent.?—Yes.

540. Why has shelving not been manufactured here in the past?—I do not think it has been manufactured here, but so far as we are concerned we are not going to import any more shelving boards; we are going to make ours here.

541. Have you been long in the planing business?—No. I am speaking from the experience my partners have got.

542. The wood is the same, 1 inch thick?—Are you still speaking of the difference in freight.

543. No; planing?—You are speaking of the American article; I am not very well acquainted with that American timber trade.

544. But supposing the rates of freight are the same; I am pointing out to you that you have a preference of 15 per cent. in the duty; therefore, why is shelving not made here?—I can only inform you that the firm I represent will not import planed shelving boards; we intend to plane them here.

545. You consider 15 per cent. will protect you?—Yes, for our own purposes, but not for distribution.

546. *Mr. Scott.*] Do you know whether shelving is being planed in other towns in the Colony?—I cannot say.

547. It would not surprise you if I were to say I know where it is being done to-day?—No.

548. As to box shooks; you do not want any increase?—No.

549. Do you intend to make them?—Yes.

550. Will it be of any benefit to other trades if you make them here?—I think it will be a great convenience to them to get their supplies locally instead of having to import them. They will not need to carry such heavy stocks.

551. Will you carry for them?—No; we will make to order. We will carry the stock of timber or obtain locally for making.

552. Would you use any local timber?—We have not been offered any local timber for the purpose.

553. Have you the plant and machinery?—Yes, we have a sawmill and joinery works, and we intend to extend the boxwood trade.

554. You have made the necessary provisions for getting timber for making these shooks?—Yes.

555. And it would be a benefit to other industries such as soap, candle, and tobacco?—Yes.

556. Do you think you would ultimately cheapen the cost of the shooks to the consumer if you were established?—We have no experience in the trade yet, so I cannot say.

557. Can you say what the duty represents on a small fruit box; how much? The duty on the f.o.b. cost?—16s. 8d. per 100 fruit boxes, small size; the *ad valorem* duty at 15 per cent. would be 2s. 6d. per 100 boxes costing 2d. each on the other side.

558. But up to now you have had no experience in this line of business?—No.

559. So you cannot give any evidence as to whether you could be able to make them cheaper than the imported article?—That will depend on the extent of the demand.

560. *Dr. Viljoen.*] You say you have never made any fruit boxes here?—We have made very small quantities.

561. Do you know the number of boxes of fruit which will be exported from Cape Town this year?—No.

562. Have you any idea?—No.

563. What would you charge for a small grape box which would hold nominally say 12 lbs. of grapes, 6 x 12 x 18 inches?—

564. Have you any demand for fruit boxes here?—The demand has come on this season. There has hardly been a demand as yet.

565. Did you supply any boxes for exportation this year?—No.

566. Have you made enquiries whether you can compete with the imported article from Scandinavia? Would you be able to compete with the article made there?—With a couple of years' experience and 15 per cent. duty I think we could.

567. How many boxes could a man make in a day?—I cannot answer off hand.

568. Then for two years, while you are perfecting your workmanship, and gaining experience, the exporter of fruit, who is now labouring under disadvantage, will have to contrive to suffer?—As far as the Eastern Province is concerned that might be the case.

569. And then you think you would be able to compete?—Yes, but the demand in this part of the country will only be gradual, and I think we will be able to follow that.

570. Do you know as an actual fact that up to within two months ago the Cape Town manufacturers could not compete against the imported article plus 15 per cent. *ad valorem*?—No. I am not aware of it.

571. Well, it is so. The fruit boxes at present, notwithstanding the protection of 15 per cent., are mostly all imported. It is not in consequence of any favouritism shown for the imported article, but it is because the local people cannot compete. Did you know what would be the cost oversea for the boxwood for 10,000 boxes?—I am not prepared to answer.

572. Do you think it will cost £300? I am taking an assortment ranging from 12 to 14 lbs., a general assortment of boxes?—No.

573. You do not know anything about it at present?—Not about the fruit boxes. I know the price of boxwood at Home, the raw material.

574. Do you know that the *ad valorem* duty falls directly upon the producer?—Yes, I suppose it does.

575. So that a farmer, getting out boxwood costing £200, will have to pay £30?—Would the farmer import direct?

576. Some do, others import through their co-operative agency. The duty would have to be paid, and when put on will make the cost £230?—But they would derive certain benefits by having the boxes made locally; they have no risks of importing.

577. There is no risk attaching to it. The burden of 15 per cent. will fall directly on the producer?—I think he will derive certain benefits by having them made locally.

578. *Mr. Pyott.*] Boxwood, I take it, is ordinary sawn timber?—Yes.

579. Are you aware to-day we are being supplied with our boxes lower than you can import them for?—I quite believe it.

580. A question was put to you, how many boxes could a skilled tradesman make in a day. Cannot you tell us that?—I could tell you.

581. Do you think skilled tradesmen are employed in the work in any countries?—Yes.

582. Would you be surprised to hear I am getting boxes made to-day by boys at from 12s. to 15s. per week?—One manufacturer might use boys and another skilled men.

583. In Scandinavia, would they put a skilled tradesman to make boxes there?—Yes.

584. They would? Well, I am surprised at your answer, as I have travelled a good deal, and have never seen men making boxes?—I am speaking about sawing, and you are speaking about knocking them together. But making boxes is not part of our trade; we are dealing with boxwood in shooks.

585. You think with this protection you are quite capable of producing all the boxes required in the district?—Yes.

586. And at as low a price as they are landed at to-day?—In my case, yes.

587. *Mr. Harlow.*] Supposing you get this 15 per cent. on boxwood shooks, will you be able to cater for the market for everything it requires?—Yes.

588. For instance, a great many shooks come out here stamped?—Yes.

589. And you are prepared to do that work?—Yes.

590. *Mr. Scott.*] The price of boxwood has been pretty high for the last two years?—Yes.

591. How much has it advanced?—From 52s. 6d. to 90s. per cubic fathoms in the last six years.

592. In other words, it has advanced about 100 per cent.?—Yes. During the last two years from 70s. to 90s.

593. Supposing the price of timber drops back to its normal state in Norway or Sweden, will you still be able to produce your boxes cheaper to the consumer here?—Yes, of course.

594. Can you tell us what percentage of labour goes, sawing, planing and making boxes?—From 50 per cent. to 20 per cent., according to the size of the boxes, 50 per cent. would be on the smaller boxes.

595. What I want to make quite clear is that the price of boxwood is abnormally high, and when it drops back it will assist in lowering the price to the consumer?—Yes.

596. Have you any knowledge of the value of the boxes which come into South Africa?—I cannot say.

597. As to mouldings, windows and doors. You ask for 25 per cent. Can you tell us why you ask for that increase on mouldings?—So as to be able to make all the mouldings which are at present imported.

598. Do you make mouldings at present?—Yes.

600. Successfully?—We have made mouldings to special designs for a good many years.

601. Do you make stock mouldings?—Yes.

602. And do you think it necessary to increase the duty?—We think so.

603. Personally, do you think it is necessary?—I am speaking for the trade.

604. From your knowledge do you think you could do with less on mouldings?—The trade is asking for 25 per cent.

605. Windows and casements; the present duty is the same. Can you tell me why?—The same answer applies to windows and casements as to mouldings.

606. Are you making windows at present?—Yes.

607. Successfully?—What do you mean?

608. I mean against the imported article?—For our own distribution, yes.

609. Then you manufacture them and distribute?—Yes.

610. But a builder would not be able to make a window?—With general machinery he would not be able to.

611. But you are a manufacturer?—Yes.

612. From a builder's point of view they really want 25 per cent.?—Yes.

613. Are you satisfied with the present tariff on windows?—No, the manufacturer would like to make all the windows consumed in the country.

614. As to doors, all sizes, you state, 25 per cent., or a minimum of 4s. or 5s. Have you gone into the figures for making a 6 x 8 door?—No.

615. Do you, as a manufacturer, think it necessary to have 4s. minimum on doors?—I say it is necessary.

616. What quality door comes into this country?—You mean for inside work?

617. Yes?—They are mostly of the cheapest class.

618. Where from?—America.

619. And how are the Americans able to put in such cheap doors?—I am not very well acquainted with American trade, but I presume that the senders have sorted them out for export.

620. What do you mean by that?—Export the class of goods they cannot sell in their own country.

621. The inferior door is sorted out and exported?—Yes; they are called export doors in America.

622. What are known as 3rd and 4ths?—I believe more 4ths than 3rds.

623. Can you produce a door at that figure?—No.

624. Generally there is a very large importation of joinery into the Colony. Have you any idea of the Customs value?—In 1906-7, £120,000 for Cape Colony.

625. That would be rather low?—Yes, the importations have been rather low during the last couple of years.

626. In normal times it would be more than that?—Yes. I think a good deal of old stock has been consumed during the last few years.

627. Would it be safe to estimate about £150,000?—Yes, that might be somewhat near it.

628. Supposing that work was done in the Colony, could you give us any idea of the wages which would be spent?—I would reckon half in wages and half in material. On £150,000 that would mean £75,000 in labour.

629. In wages spent here?—Yes.

630. It would mean a large addition to the number of workmen?—Yes.

631. And much of this work goes out of the Colony, which the manufacturer and builder does not get an opportunity of tendering for?—Yes, but we could if put on the 25 per cent. basis.

632. That is the object of your asking for 25 per cent.? Yes.

633. You do not require it to enable you to produce these articles? No; I think most of these articles which have been imported during the past year have been stock sizes.

634. *Mr. Kayser.*] You are a large importer of mouldings, etc.?—No.

635. Not of mouldings, windows, casements, doors and joinery?—Yes, I have been an importer of these articles.

636. Are you importing to-day?—No.

637. You intend going in for the manufactory business?—Yes.

638. You said just now that you could manufacture windows with a protection of 25 per cent.?—Yes.

639. Can you explain what you mean, and if so, why are you asking for 25 per cent.?—To supply the merchant. We can manufacture and sell our own manufactures.

639a. You want to shut out imports altogether?—Yes.

640. Do you suggest any way for the Government to make up the loss of revenue?—Yes; on floorings and ceiling boards.

641. Will 7 per cent. on ceilings and floorings make up for the loss of 15 per cent. on joinery?—There would be an increase of 12 per cent. on ceilings and floorings. I have got the figures of the Port Elizabeth Chamber of Commerce showing the local imports of panel, tongued and grooved articles, £24,000; manufactured articles £31,000. They are pretty well equal.

642. Can you give us figures for the Colony?—No.

643. Your comparison is no good then?—As far as Port Elizabeth is concerned I have got the figures for the three separate items:—

Tongued and grooved, £24,000.
Unmanufactured goods, £28,000.
Manufactured goods and joinery, £31,000.

644. Your idea is that 12 per cent. on ceilings and floorings will make up for the loss?—Yes.

645. But you will make good quantities of this work?—Yes, for our own requirements, but I doubt whether we shall be able to make for the merchants.

646. But this request from the joint body of builders. You ask for 25 per cent. protection. The present duty is 15 per cent., is it not?—Yes, on joinery.

647. Have you any protection in freight?—By steamer or sailing vessels?

648. Take steamers?—Yes, as far as tonnage rate is concerned, but not in measurements.

649. But the rate is paid on the measurements, is it not?—Yes, it may take 1½ standard of raw material to make the standard of manufactured material. I do not think we have any advantage in freight.

650. What percentage does the freight in goods compare with mouldings?—I cannot say.

651. Can you tell me the rate of freight on mouldings?—If steamers, 90s. per standard.

652. And the raw material?—65s., but a large proportion of the joinery is imported by sailing vessels which have arrived here during the last three months. Take last year.

653. But the point I want to get at is importation for the Commission, the ratio

of freight on manufactured joinery. Can you tell me what it is?—I think it would vary largely on the different articles.

654. I asked you specially yesterday to bring these particulars, and you said you would have them here. Take mouldings. Can you give me the percentage and freight bear to the cost of the article?—I have not worked that out.

655. If you said 30 per cent., would I be wrong?—I cannot say.

656. The duty of this Commission is to ascertain the actual protection that is to be given on articles which can be manufactured in the country. We have to take the whole cost of landing the goods from the post of export to the post of entry in Cape Colony. You have already explained that the duty is 15 per cent. Therefore I ask what is the rate of freight, which is also a source of protection?—I have never gone into that question.

657. It varies from 27½ to 31½ per cent. If these are wrong, please work them out and give to the Commission. With regard to windows, have you worked that out?—No, not on any of these articles.

658. Do you know freight is paid on windows?—Yes, of course.

659. But you have no knowledge what the freight is?—I believe it comes to about 6½ per cubic foot.

660. Shall I be wrong if I say 24 per cent.? I cannot say; I have not worked it out.

661. With regard to doors; here is a distinct claim to have a minimum of 3s. for 6 x 6 x 1¼ doors imported into the country?—The trade asks 25 per cent.

662. What do you ask, Mr. Ronassen? I ask for 25 per cent.

663. If you read your note there you will see they want 25 per cent. with a minimum?—I was under the impression the builders want to shut that out.

664. As a manufacturer, do you ask for this 3s. minimum?—No. If there is a special call from any section of the community to get in these special doors we will waive that. I would not make a strong point on the minimum on the doors.

665. Then you explained to Mr. Scott that these doors which were received into South Africa were those which had been thrown out by the America trade?—Yes, I meant the cheapest class.

666. Do you mean we cannot get a better class door if we want it?—Yes.

667. Is not the call on this country for cheaper article you can import?—There is a call for cheap doors, and also for good doors.

668. For the ordinary town trade?—They ask for a better door than the up-country buyers.

669. And they are really made in shops here, are they not?—I should not say so.

670. But you can buy a better class door?—Yes.

671. And this door you mention as selling at 11s. is the cheap door?—It is a medium quality door for 11s.

672. And if that were to be sold in this country as you suggest here you would have to add so much to the price?—We have not made doors in any great quantity yet, but we believe we can make them. We will try and make them if we get the 25 per cent.

673. But I asked as to the addition to the price?—One shilling.

674. Therefore you would have to pay 1s. more?—Yes.

675. Do you think it might be possible to manufacture at slightly less?—Yes. If we get the 25 per cent. we could try to make them here, but I cannot say we should be successful.

676. Do you get any railway preference as a manufacturer?—It is given to the consumer.

677. What is the difference?—It comes to about 20 per cent.

678. What does that mean on transit to a place like Kimberley?—It means 25 per cent. to the consumer there.

679. Tell us what it would make as a 15 x 30 window?—2s.

680. What is the weight of such a window?—I have not gone into the figures.

681. You could provide us with them?—Yes.

682. I would like the Commission to get the weight from the witness. I can give it: it is about 126 lbs.? The proportion would be about there: Sash 30, the glass 10.

683. And that is 40 per cent. you cannot make in this country?—Yes.

684. *Mr. Harlow.*] What tariff would you propose on the 4½ x 1½?—Since this was drawn up, I understand it has been decided to withdraw this and let all cut timber in free.

685. You propose to reduce the tariff on sheet glass, not bevelled, etc.? 12 per cent.

686. What is the reason?—That comes under general builders.

687. While enquiring into these industries, we have got to inquire into the revenue of the country; would you be prepared to forfeit that suggestion you have made there?—Yes, for the sake of revenue.

688. You ask for 12 per cent. increase on flooring and ceiling boards?—Yes.

689. And 22 per cent. increase on architraves and so forth?—We would be able to manufacture them here.

690. *The Chairman.*] Mouldings pay 15 per cent. at present?—And we ask for an increase to be able to manufacture more here. We are making a very small percentage at present.

691. Is there any more work in the machine for turning these architraves and cornices than there is in ordinary planing machine?—Yes.

692. How many more people do you think you could employ provided you got the tariff?—Probably between 350 and 400 men, and value of the work would be about £75,000.

693. Over and above what you employ now in the Colony?—Yes.

694. Have you any difficulty in getting skilled men to look after these machines?—No, I cannot say I have, but they are not very plentiful now. Skilled artizans and machinists left the country when they were thrown out of employment.

695. But as a matter of fact there are skilled machinists in Port Elizabeth today, are there not?—Yes.

696. Supposing you got this tariff, would there be any inducement to teach the rising boys the trade?—Yes.

697. You would be prepared to take apprentices for the class of work?—Yes, we employ a few apprentices and improvers to-day in our trade.

698. *Mr. Scott.*] I think you said you imported your sash weights for windows?—Yes.

699. Do you think these could be got in the Colony?—Yes.

700. And as to the duration of the tariff?—I should like it to be ten years.

701. Why do you ask for that period?—It takes several years to get efficient in many of these lines.

702. The witness subsequently handed in the following statement:—

To the Chairman of the Industrial Conference,
Port Elizabeth.

Dear Sir,—When being examined at the Conference on Thursday last, one of your Commissioners (Mr. Kayser) asked me to state to you the percentage in freight of a few leading lines in joinery, in the manufactured state, and also the percentage in freight on the raw material.

Mr. Kayser furnished figures, relating to freight, etc., on the mannfactured articles, which I accept as being correct, viz. :—

4″ Architraves: Home cost—4s. 11d. per 100 feet run.
Freight—1s. 4d., or 27 per cent.
Window, 16″ x 32″: Home cost—11s. 6d. each.
Freight—2s. 4¼d., or 21 per cent.

Supposing now that the above articles were made here, the raw material from which the manufactured product would be made has a freight charge of :—

4″ Architrave, 2⅓rd cubic feet of timber at 4¾d. per cubic foot, 10d.; or plus packing say, 300 feet 4″ arch cost here 1s. 3d., or,

On window, 16″ x 32″, freight on 2½ cubic feet of timber, at 4¾d. per cubic foot, 1s. Ditto on glass, weights, cords, pulleys, etc., plus packing here, 4¾d., or 19 per cent., 2s. 1¾d.

It will thus be seen that the difference respectively is :—

Architrave :	
Imported	27 per cent.
Colonial	25½ per cent.
Difference	1½ per cent.
Windows :	
Imported	21 per cent.
Colonial	19 per cent.
Difference	2 per cent.

Freight on above joinery is taken at 90s. per standard, deals at 65s. per direct steamers from Scandinavia.

By sailing vessels I understand the freight to be the same on raw material (sawn redwood) as on joinery, a portion of the imported joinery still coming by sailer. We have no guarantee that steamers will continue to keep open the route, which has only been established for three years. We do not hesitate to state that the importers of mouldings at the present time place their large orders with oversea exporters, and only fill their urgent requirements with local manufacturers.

If the local manufacturers were given the chance to make the large quantity of mouldings and windows now imported special machinery would be erected for the purpose of cheapening the production and lessening the price to the consumer. This could most effectively be done by lifting the duty from 15 per cent. to 25 per cent. or more, and it would eventually be found that the competition amongst manufacturers would eventually bring the cost to the consumer down, and the large amount of labour at present done by foreign wood workers would be done in this country.

I had not prepared myself for Mr. Kayser's question as to the reason why shelving boards with a present tariff of 15 per cent. were not manufactured in this country, and having since considered this matter, my views are as follows, viz. :—Shelving boards are generally termed the lowest grades of American pine in 12′ to 16′ lengths and 1″ x 12″ to 16″ in thickness, nominal measurements. The present tariff has only been in force two years, and South African wood workers have hardly had time to adapt themselves to the altered conditions of trade.

The bulk of both shelving and clear pine is imported from U.S.A., and has in late years gone up in price, so that at present I consider these goods to be far above market value. For this reason we make purchases to a very restricted extent. The American shippers make so little reduction for shipments of rough pine against the dressed boards that the local manufacturer has no chance to compete, especially where the freight favours the dressed goods, they being measured by actual size.

The 15 per cent. protective duty is of some assistance, I admit, but it is not enough to warrant competition with imported dressed pine. It is my opinion that pine from U.S.A. will continue to advance in price, as the forests in that country are becoming depleted, and for proof in this we have only to look at the steady advances of value, and in the future it is probable that we will have to obtain our supplies elsewhere.

I have reason to think that substitutes will be found in British Colonies, wherefrom we can get the timber in logs or planks, which can be re-sawn and planed up in stock sizes. This will create a large industry, and make us independent of the fictitious price asked by American shippers. The import of rough instead of planed pine will be of great assistance in the manufacture of doors, shutters, windows, furniture, etc., as these articles can be made direct from sawn timber. The imported planed timber had in all cases to be re-planed, and all splits cut away, whereby much waste is incurred, to the detriment of our industry. With a Customs Tariff sufficiently high to shut out the imported joinery, I believe that the South African manufacturers will soon be able to compete, and time lower the price to the consumer, and give a better article.

I beg to remain, Dear Sir,

Yours faithfully,

H. RONASSEN.

William Henry Denford, of Denford & Co., representing the Shop-fitting Industry, put in the following statement:—

The present anomalies we suffer from are briefly as follows :—

High duty on raw material, in the shape of plate glass, metal fittings, and hardwood.

The average wage paid in the industry in Cape Colony is 1s. 9d. per hour, as compared with our oversea competitors 8½d. per hour.

Shop fittings imported into South Africa at the present time would provide employment for over 450 skilled artisans.

To put our industry on a competitive footing we advocate as a reasonable tariff the following :—

Shop front, show cases, shop fittings, and fixtures, bank, office, and bar fittings : British 25 per cent. ; Foreign, 30 per cent.
Metal shop fronts : British, 15 per cent. ; Foreign, 20 per cent.
Church seatings, pulpits, and screens : British, 25 per cent. ; Foreign, 30 per cent.
School furniture : British, 25 per cent. ; Foreign, 30 per cent.
Embossed glass tablets, gilded and painted glass signs, facios, stall plates, glass shelves, bevelled mirrors, and leaded lights : 33⅓ per cent.
Metal window fittings, standard bars, brackets and show-case fittings, bank grills in all metals : British, 3 per cent. ; Foreign, 7½ per cent.
Plate glass, mirror glass (not bevelled), window glass, figured, rough, rolled and Murimer glass : British, 3 per cent. ; Foreign, 5 per cent.
Hardwood, oak, walnut, mahogany, teak, birch and poplar : 1d. per cubic foot.

We also recommend that the next tariff be fixed for a term of five (5) years, and, if successful, continued for eight (8).

703. *The Chairman.*] You propose a recommendation to put a duty on shop fronts of 25 per cent., which is an increase on the present duty of 13 per cent.?—Yes.

704. Can you tell us the number of white men employed in this industry?—Well, at the present time there are about 100 altogether.

705. Is not the bulk of this work imported and put together in the Colony?—Yes.

706. Very little of the stuff is made here?—Yes.

707. Do they use any Colonial material in this stuff?—Very little. The wood is not adaptable. It is only used for central work.

708. And if the duty were put on the whole of the material which would have to be imported, it would be only the work-people employed to put it together here?—Yes.

709. Do you think this industry has gone down on account of the present difference in duty?—Well, I do not think it has gone down proportionately to what it was before, three years ago. For instance, then we employed 30 men, and now we have barely sufficient to keep seven going.

710. Don't you think that is because there are already too many shops fitted up?—Not necessarily. A good many of the shop fronts are being imported.

711. But is the material not worked up at Home, and only put together here?—A good deal is made up at Home.

712. Under any circumstances it would be made at Home?—Only the glass and brass fittings.

713. You say wages at Home are 2½ times less than here, but you cannot compete? If we could get the quantity of work then we could reduce the cost of our manufactured articles.

714. Do you think it possible to get the quantity of work in South Africa? - Yes.

715. This applies to all these things, school furniture, church seatings, school fittings, etc., which could be made out here?- -Yes.

716. At present these are imported from America?-- Yes.

717. You think you would not use much South African material, but it would give employment more to more white men?--That is what it would tend to.

718. And you think there is work for them?—Yes, plenty of it.

719. *Dr. Viljoen.*] Are you actively employed in the shop-fitting industry?—Yes.

720. Did I understand you to say that all the material utilised is imported?—Practically it is all imported.

721. How many white men do you employ?--At present we have only seven, but two or three years ago we had over 30, up to 40.

722. How many coloured men? -Now only one.

723. Formerly? About two boys. It is practically an artisan trade.

724. You only employ European employees?--Yes.

725. How long do these shop fronts last?—Forty or fifty years.

726. Practically half a century?- If they are looked after.

727. This country can only support a limited number of shops? It is not a thing that wears out like clothing?--No.

728. Do you seriously suggest to the Commission to put a duty of 30 per cent. on school furniture?--Yes. It would be 25 British and 30 foreign.

729. As a matter of fact most of the school fittings are imported from America, so it would fall under the 30 per cent.?--Yes.

730. Could the school furniture be made out of Colonial wood?—A large amount of it could be.

731. What is done at present?—It is imported; there is no school furniture made in the Colony.

732. Has it been made out of Colonial wood before?- I do not think it has, but it could be.

733. *Mr. Tod.*] You say here that the average white wage paid by the foreign manufacturer is at the rate of 8½d. per hour. What country is that?—England.

734. Is that all the highly skilled carpenter and cabinet-maker gets in England? -Yes, this is the average.

735. And that on an eight hour day he is making only about 5s. 4d. per day?—And sometimes far less. The wages were 21s. per week at the factory at which I learnt my trade, and they had practically over 500 men.

736. And you think, if the duty you suggest were put on, the whole of the work could be done here? Practically all of it. I lost a contract in Kimberley a few months ago because I was a few pounds out.

737. Then under present conditions you are almost level with the imported article?—Yes, because our expenses are lower.

738. You do not think the last tariff is sufficient? -No. The increased tariff would not increase the price, but the increased turnover would reduce it.

739. By manufacturing larger quantities you can quote a lower price? Yes.

740. You have no idea how many men are engaged in this work in the Colony?—Roughly, about 100: there may be 150.

741. Can you say all white men?- Practically all white men. Natives are only employed for the purpose of assisting machinists.

742. *Mr. Harlow.*] What class of mechanic would you use in this work? It is specialised work.

743. Does it not come under the heading carpentry and joinery?—Not at Home.

744. Is this your own business? - Yes.

745. Of course, you know there are shop-fitters in other towns?- Yes.

746. You say you are paying 1s. 9d. per hour? - Yes, that is a fact, and machinists get more.

747. Who fixes the rate of wages Mostly Trade Union. Three years ago there was a strike on here which raised the wages to that standard, which has been maintained since.

748. There is no difficulty in getting competent men to do this work? No.

749. As to the 8½d. per hour, where is that paid?- -In Bristol.

750. Is it not a fact that in London they pay 10d.? -They may. In Bristol over a thousand hands are employed in the shop-fitting industry.

751. Where is Sage's?—In London.

752. Drew's?—That is only a South African firm at present. I think in Birmingham they pay 9d.

753. And in London 10½d.?—They have apprentices there.

754. In shop-fittings you do the outside woodwork?—The granite base, yes.

755. Would you put any duty on that?—The Paarl granite is almost as good as the imported.

756. Is there any difference in the cost?—I cannot say, as we have not used it as present. I have not received any quotations from the Paarl.

757. Is there machinery at the Paarl enabling them to compete with the imported granite?

758. *The Chairman.*] I suppose it would cost you more to get it from the Paarl than from England?—I do not know.

759. *Mr. Harlow.*] As to the design of a shop front, do you not have to take fronts out and replace them?—Yes; very often people are changing their designs to meet their various requirements.

760. School furniture comes in free?—Practically, I believe.

761. Church fittings pay a small duty?—Yes.

762. Have you ever tested Colonial wood for this work?—As a matter of fact, every time we have tendered we have been defeated. [*Witness gave instances.*]

763. Is the wood in this Colony harder to work?—I think the yellowwood equal to birch.

764. What about the Canadian oak they use?—There is a good deal used for church work, but not much for school furniture.

765. If this tariff were put in and your quotations were accepted, you would use Colonial wood?—Yes, if it is suitable.

766. There is plenty of wood at Knysna?—Yes, but it is not adapted for show cases and shop fittings.

767. And stinkwood?—We cannot use it for shop fittings.

768. *Mr. Pyott.*] You say what you suffer under to-day is the high duty. Do you make any suggestion as to reducing the duties?—We do on plate glass, which forms a large percentage of our raw material.

769. Your suggestion is what? Three per cent. metal fronts.—We suggest 15 per cent., but they cannot be made here.

770. Do these metal fittings form part of the shop front?—Yes.

771. What percentage?—It is according to the class of work. They might form 15 to 20 per cent.

772. Is it not a fact that some day we may make these things in this country?—Yes.

773. You are aware we want revenue for Government, and yet you come forward and ask for certain duties to be remitted?—Yes, quite so.

774. And that others be increased?—Yes.

775. That will fall on the consumer?—No, we should benefit by having a larger demand, and prices would come down.

776. You mean the orders would be retained in the country?—Yes.

777. And under that condition you could reduce your prices?—Yes. Take, for instance, show cases. If we had a dozen to make we could save 20 per cent. on the labour for each case.

778. Is not your aim to get a higher tariff to prevent competition?—We do not object to competition, but at present we maintain it is unfair competition.

779. Is not the average wage put down here a high one?—No, sir; it is much higher in the Transvaal. Our standard rate is 1s. 9d. for joiners, 2s. for machinists, and 1s. 8d. for polishers.

780. And if all the shop fittings were done in South Africa you could get employment for 480 men?—Yes.

781. The coloured labourers do not do any of the practical work?—No. They only attend on the machinists.

782. You suggest embossed glass to be put at 33⅓?—Yes, because we can do it here.

783. As to bevelled glass duty, would you put it on small house mirrors coming into the country?—Yes, if we could get orders for a quantity we could make them.

784. And should we pay 33⅓ per cent. more than we are paying to-day?—No, sir.

785. *Mr. Kayser.*] How much more would we have to pay than to-day?—Well, it would depend on the quantity. Possibly 10 per cent. on the smaller mirrors.

786. You were not right then in stating that prices would not be increased?—Well, no.

787 The reason you have lost business is on account of the price?—Yes, and in consequence of the tariff.

788. What do you mean by that?--Well, if we get a larger turnover our cost of output would be less

789. As to the contract you lost in Kimberley, did it go to people who imported?—Yes.

790. Not to competitors in this country?—No.

791. The goods were imported?--Yes.

792. If you had had a little more protection you would have been successful?--Yes.

793. Are you serious in asking for 25 per cent.?—Yes.

794. But you stated, in answer to the Chairman, that you only lost by a few pounds?—Yes.

795. You are asking that competition from outside be shut out?—No. What we ask 33⅓ for is on Canadian school fittings. Shop-fittings come mainly from England.

796. If you have 25 per cent., will you have sufficient protection?—Not unless we get a reduction on glass.

797. Do you manufacture leaded lights?—No, not directly; but we take a large number of orders.

798. Why have you put leaded lights on your list?—We want to combine the two together.

799. Because you are working in co-operation with other manufacturers?—Not necessarily. We should employ our own men.

800. But you do not make leaded lights?—No.

801. Do any other shop-fitters in Port Elizabeth make them?—No.

802. *Mr. Scott.*] You stated that the bulk of your wood for shop-fittings required to be imported?—Yes.

803. Is Knysna timber not fitted for shop windows?—No.

804. But it is suitable for inside work, such as panels, school seats, etc.?—Yes, we have used it for counters.

805. What is the difficulty that you have not been able to use more yellow wood?—It twists.

806. Is that not a fault in the seasoning?—Not necessarily.

807. It is a wood that is liable to give a bit. You see in this country we are anxious to see timber grown more extensively, because we want people to get hard timber, such as walnut and oak?—Well, we have not to go far for it. We can get it from the West Coast, where there are the largest forests in the world.

808. I would like to know why you cannot use Knysna timber more extensively?—We cannot use it for shop fronts and cases; we require hazel or birch.

809. But you said you could use it for school desks and seats, and for church furniture?—Yes, but I am afraid the quantity would not be sufficient. It is not sufficiently seasoned. We should have to erect kilns to season it, and money would be lying idle for a considerable time.

810. Well, of course, in a business of this sort you ought to have kilns?—Yes, but there is not sufficient output for it.

811. Are you aware there are kilns in the country for drying timber?--I do not know of any. There may be at Cape Town.

812. What is the reason you lost the church and school furniture orders?--First of all the competitors' wages are lower, while in America they have the timber at hand. They do not have the disadvantage we have to contend with.

813. Is that the main reason?--Yes, and they make specialities there, and turn out large quantities.

814. Is there not another reason, that these things, packed closer together, can come in at a less rate of freight?—I do not know. Possibly it may be so. On the other hand, they have to pay extra for packing.

815. I take it you could compete with the imported article if you could get the business?--If you could get larger quantities of it.

816. It is because you cannot get a large volume of work you are not able to compete?—That is so.

817. You would put down more machinery if you had more work?—We have quite sufficient at present.

818. The men employed in your trade are highly skilled?—Yes.

819. Is your trade a good one to apprentice boys to?—I think it is: it is the best industry.

820. Are you getting many apprentices? We have got two at present.

821. How many men?—Seven altogether, but our plant is equipped for 30 or 40 men.

822. Do you know the fittings for banks and large insurance offices are imported direct from America?—Yes.

823. Why?—The S.A. firms cannot compete with the American firms. There was one bank we lost in Johannesburg by something like £35.

824. But if you put 25 per cent. duty on, won't that increase the cost of the fittings to the man who employs you?—It would practically reduce the cost.

825. How?—Because we should have a larger turnover, which would decrease our expenses to a considerable extent.

826. Do you buy your timber through the merchants here?—Yes, large quantities of it.

827. Would you benefit by a large turnover?—Yes.

828. Would you be able to buy more timber from them?—Yes.

829. *Mr. Kayser.*] As to your timber; cannot you get plenty of yellowwood in Port Elizabeth?—Yes, but it is not seasoned.

830. But you can get it at reasonable prices?—Yes.

831. About?—Sixteen pence and seventeen pence per cube.

832. I think the price is nearer 3s. per cube. But in a number of cases you have no option as to what wood you put in?—No, unless from our designs.

833. You are bound to your specifications, what the architect calls for?—Yes, quite so.

834. And the preference is for imported wood?—Yes.

835. Do you get any railway preference?—We made applications to the railway some time ago for a reduction, and they said the highly-finished article could stand a higher rate than others.

836. I think if you should get protection at all it should be through the Customs.

837. *The Chairman.*] You say you lost the Kimberley contract by £4?—Yes, a shop front in Du Toitspan Road.

838. *Mr. Scott.*] Do you do anything in Johannesburg?—Competitions there drove us out.

839. *Mr. Kayser.*] As to church fittings, cannot you compete?—No. Our competitors have more apprentices, which reduces the average wage.

840. Have they better facilities in machinery?—The point is this: Churches call for a special class of seat or desk.

841. Is not that branch specialised by Americans?—There are a good many English firms.

842. You had an opportunity of competing?—Yes.

843. The timber in the raw state comes in at a very much lower rate than the finished article?—It is not sufficient protection.

Clarence Currie, of Green & Co., representing the Glass Workers' Committee, examined on the following proposals put forward by the aforesaid Committee.

REPORT OF GLASS WORKERS' COMMITTEE APPOINTED BY MIDLAND MANUFACTURERS' ASSOCIATION ON THE 22ND OCTOBER, 1907.

Committee report that having met and discussed the matter, they recommend an import duty on leaded glass of 33⅓ per cent. (thirty-three and one-third per cent).

On illuminated, painted, embossed, bevelled, mirror, and brilliant cut glass, and on glass signs, or otherwise manufactured glass, an import duty of 33⅓ per cent.

On sheet glass, white, clear, or coloured, from Great Britain or dependencies, 3 per cent; from Foreign Countries, 10 per cent.

Memorial windows for churches, containing figure work, free of duty.

844. *The Chairman.*] You know the object of this Commission is to take evidence?—Yes.

845. You recommend that leaded glass should be increased to 33⅓ per cent?—Yes.

846. Give us your reasons for doing so?—Well, a larger extent of orders might be left in the country which are now imported from Europe. In 1905 there were four of us living in town and making a living. Now there is only myself. The drawback to me is that there is the same duty on the glass I have to cut up and put into a leaded light as there is on a panel coming out from the manufacturer. My need is some protection as between the raw material I import and the finished article.

847. Would you be able to compete with other parts of South Africa?—My design might enable me to do so, but as far as prices are concerned we cannot. It is a matter whether the man up-country likes our design or not.

848. Would there be no difficulty with the railway as regards packing?—No; there is no difficulty in that respect. The manufactured article is quoted on rail.

849. And if this duty were put on extra white labour would be used?—It would double itself easily. I mean the leadlight work that goes out of the country. Two men would be used instead of one, or twenty men instead of ten.

850. But is there only one here at present?—There are two firms.

851. On sheet glass you propose no duty, except the 3 per cent?—Yes, 3 per cent. on all sheet glass British made.

852. Is the difference to give preference to British manufacturer over the foreigner?—Yes. The British glass is much dearer per foot.

853. Then it would not benefit labour out here?—Well, so far as that is concerned, window sashes are likely to be made out here. But we cannot supply glass at the same price that the Antwerp makers can.

854. Or from America?—Yes.

855. But would not 3 per cent. make a difference?—Yes.

856. What is the lowest price sashes in America?—I have nothing to do with the woodwork.

857. But you referred to the sashes?—No, to the glass in the sashes.

858. For memorial windows for churches, you do not want a duty?—No, we are aware that there are no such artists in the country as design these windows of a high-class work of art, and we would not deprive the country of such works of art; but we maintain that unless it be figure work it can be done in the country.

858a. And you say the duty you ask would double the number of men in the trade?—I am positive it would; it would give us twice as much work.

859. And that means that there would be two men employed here instead of one?—Very near it.

860. *Dr. Viljoen.*] Is any of the material you use produced locally?—I buy my lead in the country.

861. Is it produced here?—I buy it as raw material, cast it for lights, and mill it.

862. Is any of the material produced in South Africa?—No.

863. It is all imported material?—Yes, the raw.

864. All the material you use in your manufactures is imported?—Yes.

865. Can you tell me how many white men you employ in your factory?—Now?

866. Yes?—Only myself and an apprentice.

867. How many coloured men?—Only one just now.

868. Is that your average?—I have had four white men on and five coloured boys.

869. And if you get this protection, do you think your business will increase?—Yes.

870. Will the proportion of white to coloured remain the same?—Yes. With three or four white men working I need the coloured boys.

871. Would the proportion in your factory keep the same?—It would be kept so.

872. *Mr. Harlow.*] You say there is not a maker in this country, I suppose you refer to the glass?—Yes.

873. But supposing the glass industry was formed in this country, would you be prepared to support it?—Certainly; I want to make a living here.

874. You made an assertion just now that memorial windows for churches should come in free?—Yes, containing figures.

875. You say you have no artists out here?—Well, yes, we have, but what I maintain is that we know there are artists in Europe who cannot possibly come out here to do one window, such as the late Sir E. Burne Jones and others, who do not think it beneath themselves to execute a glass window as a work of art.

876. But if you had the artists out here?—Yes, these windows could be done in the country.

877. But because you get one window out of hundred done by one of these leading artists is that a reason why the other ninety-nine should come in free?—Well, if we got a percentage of the others it would make a very good business here.

878. But you are only looking for what you might call the inferior class of work. Would it not be feasible for you to get these windows all done here?—The tariff allows all illuminated windows to come in free.

879. But still you say you want the panel to come in free?—The figure work, we do not want to bar a work of art coming into the country, and if we let one figure window in we must let them all.

880. But say an order for a memorial window is sent to England and is to cost £150, if these people want that particular window, do you suppose they will object to pay £180?—No.

881. You don't see why the duty should not be put on?—Not if they like to pay the difference. We cannot make them spend the money in the country.

882. But you say here free of duty?—With figures, yes.

883. But what I want to get at is, if the window is going to cost £150 or £180, is there any reason why they should not pay £20 more if the window came from oversea? We want to raise revenue?—At present all illuminated windows come in free, and if you tax the other ones which can be done here, which are not illuminated but still are memorial windows, designated figure windows, then you protect the manufacturer of this country and raise the revenue on the other percentage which are not free.

884. Don't you think the 7 per cent. on glass from foreign countries a sufficient preference?—I think it would guarantee us using all English glass. Most of it is stipulated English to-day.

885. And you don't know whether there is any idea of forming a factory here?—I don't, but there is plenty of material here and good conditions looking at the country. It is a matter of money, I think.

886. *Mr. Pyott.*] In the case of getting the protection you ask for, is this industry likely to grow to any great extent?—I may say it is a big shop in England which has eight workers, and therefore a factory of four in this country would be a large factory.

887. Can you compete on the old conditions of the tariff?—No, I cannot do it to-day.

888. Do you think you are going to do any more business in these dull times?—Well, if I had been protected sufficiently I should have got a job the other day which went oversea through a difference of £4. On the raw material, which comes from oversea, we have to pay the same duty as the importer of a finished article has to, and we cannot compete with the European wage.

889. Have you no protection through breakage?—No.

890. You ask for thirty-three and one-third for painted and embossed glass. Are you capable of doing that in the Colony?—Yes.

891. Embossing glass?—Yes.

892. Bevelling glass?—Yes.

893. In the case of furniture coming out here with bevelled glass what would you do?—If it has been enhanced since it left the manufacturer it should pay a duty.

894. How would you classify it?—It would not be classified with the furniture. I personally would measure the glass and get its footage, but the Customs would be handicapped, and they would have to strike a medium.

895. We want a simple method of collecting revenue and we want you to suggest a way out of the difficulty?—The only way I can think for the moment is to make them declare the value of the internal fittings of the furniture.

896. You speak also of bevelled glass. Supposing I wanted some, are you in a position to supply it?—Yes.

897. Have you any protection over the railway in the rates, as compared with the imported?—That I am not aware of, as we generally put down free on rail, we never quote the carriage.

898. Then you cannot give us any information on that point?—No.

899. Do you think the industry would grow in size in the country if given this protection?—Yes, according to the size it usually is; it is only a small business in England.

900. *Mr. Kayser.*] You say you had more men working for you in 1905?—Yes.

901. And the duty was the same on glass as it is on leaded lights?—Yes, it was 7½ then.

902. And you could get plenty of orders?—Yes.

903. How do you account for that?—At that time I never felt the loss of an order going oversea if one passed me.

904. Because everybody was busy then?—I believe they were.

905. What is the rate of freight on glass?—I do not know.

906. You are not aware that you have protection in the freight?—I am not.

907. The rate of freight on glass packed in cases is less than on the leaded lights, and I suppose the measurement would be less too?—Yes. We get a case of glass out, and it may stand for months. If we want to make a panel to a certain size and colour we have to work from stock.

908. But the ready made leaded lights imported from Home would measure more than if the package only contained glass?—Packing takes up the size more than the stuff itself.

909. But there is more packing in leaded lights than in ordinary glass?—I suppose it would be.

910. You suggest a protection of something like 40 per cent. You ask 33⅓ duty, and there is the difference of seven on foreign glass. Do you think this is absolutely necessary?—Yes.

911. You cannot compete otherwise?—No, we cannot.

912. And if you got the duty you would not be able to extend your factory?—We should get the surplus which goes oversea.

913. You know the amount of leaded light work is not much?—No, there is not.

914. *Dr. Viljoen.*] Leaded lights have been made in other parts of the Colony?—Yes.

915. And if you get 33 per cent. duty it would increase your business?—Yes.

916. Would it reduce the cost of the consumer?—It would not enhance it.

917. You mean if you got more business it would be cheaper?—Yes, the consumer would get all the benefits.

918. Is it a convenience to have leaded lights made here?—Yes, the man in building a house is guaranteed no smashes.

919. He gets the article for his house in good order, whereas he runs a chance of getting it broken when brought out from England?—Yes.

920. With regard to painted, embossed, and bevelled mirrors, you don't mean that you expect 33 per cent. on ordinary mirrors?—No, only on bevelled.

921. And you can do the bevelling here?—Yes.

922. And it is being made in other parts of the Colony?—Yes.

923. You said that sheet glass from Great Britain is necessary for your business?—Well, it is often stipulated.

924. Is it not because it is better glass and more suited for your business?—Yes.

925. Do you know the present duty on plain glass?—Yes, 12½ per cent.; it used to be 7½.

926. Other people are concerned in the price of glass, furniture makers, for instance?—Yes.

927. But you require English glass because it suits you better for your trade?—Yes.

928. What I want to make quite clear is that these memorial windows could not be made here because it would not pay?—Yes, it would pay. But you cannot get the artists here, and it would not pay for them to have to come out.

929. And therefore you don't want to have any additional duty on church windows?—Not with figured windows.

930. What I understand by an illuminated window is one with a figure or emblem on?—That is what I wish it were, but it does not say so on the tariff.

931. Have you any apprentices?—One.

932. And of course you would have more if your business increased?—Yes, we generally take one for every three men.

933. Can you make any suggestion with regards the embossed sheet of glass and the bevelled in a sideboard to meet the furniture people?—The Customs could make them declare its value separately.

934. Supposing the glass was in furniture on which there was a 20 per cent. duty and you want 33 per cent. on the glass. Would that not lead to great complications?—I don't think so. You might get over the difficulty by letting the glass in at the same rate as the furniture. So little would come in in a sideboard that I don't think it would affect us much. They could declare its value and be charged accordingly.

935. You think that would meet the difficulty if they declared the value of the glass?—Yes.

Cart, Carriage and Wagon Building.

Thomas Anderson Bromilow Downing, of Messrs. Downing and Attwood (with whom was Mr. W. A. Thorogood), gave evidence regarding wagon spokes, felloes, and other matters mentioned in the Master Builders' and Joiners' Report (*vide* evidence of T. W. Reynolds, page 16).

The witness said: I want to point out that it is not only a question of labour, but also a question of employing Colonial wood in the making of spokes, hubs, rims, felloes, etc.

Mr. Scott.] I think that is the main idea as the witness has put it. The Knysna people have some complaints, but the question is would it press in any way heavy on the wagon builders. The amount of duty proposed would not make much difference to the cost of a hub, for instance. There are lines of hubs which we might not be able to induce the cartbuilder to take.

936. These things would not make much difference to the value of the cart, Mr. Kayser. What felloes and spokes does he wish to protect?—*The Witness*: For all sorts of vehicles.

937. Take wagons; would you use Colonial wood there?—Yes.

938. Are they imported to any extent?—An attempt had been made to import Australian wood.

939. Can it compete?—Yes.

940. Is it made up in the same way as the Colonial?—Yes.

941. Would it be able to compete at the coast as well as up-country?—Yes.

942. The difference in the railway charges would not prevent it?—No.

943. Is not the weight a serious matter in the cost of railage?—No.

944. Have you any figures to put before us?—No.

945. As a matter of fact do you know of any being imported in Port Elizabeth?—Not now.

946. You do not know of any?—No.

947. With regard to spokes, what is the present duty?—Three per cent.

948. On wagon spokes?—I believe they are not imported because we can supply them so much cheaper.

949. What is the duty on wagon spokes?—Fifteen per cent. on the fashioned article.

950. But are not wagon spokes 25 per cent. to-day?—Our Colonial article is all right for 20 per cent.

951. Then why ask the consumer to pay more duty?—That is, for cart spokes and hubs. We have offered them, but the price is too high.

952. Would you be surprised to hear that they are being offered?—No, I have offered them myself.

953. At a lower price?—That I cannot say.

954. Do you know what the cost of freight is on this class of goods in the way of protection?—No.

955. Are you making these statements in a haphazard way without thinking or having any figures?—I am making a statement that I cannot sell these articles because the imported article is cheaper.

956. Then you do know that 25 per cent. will be sufficient?—From the difference in the prices I have told you I could have got the article at.

957. You have no figures to go on?—No.

958. *Mr. Pyott.*] Is Mr. Thorogood in favour of 25 per cent. on the goods specified?

959. *Mr. Thorogood.*] Not on cart spokes, hubs, rims, etc., because they cannot make them. For wagon spokes we can knock out the imported wagon spoke without any protection whatever. I was the first man here to make spokes until people got Kaffirs to make them, and then I dropped doing so. A bullock wagon spoke cannot be imported under 1s. 7d., but for light spokes we cannot touch the imported ones for price.

960. Have we the wood in the country to make them?—No.

961. You are quite sure on that point?—I am quite sure.

962. Not for vehicle spokes?—No.

963. You say the timber is not in the country for light spokes?—No. For anything like a Scotch cart, Cape cart, bullock wagon, spokes can be made in the country, the wood is all right; but when it comes to anything lighter then we have nothing to touch them.

964. Spokes for bullock wagons can be made here?—Yes.

965. Can shafts be produced in this country?—Well, there is no shaft like that made from the lancewood.

966. You maintain that it is not a matter of what protection you give this class of spoke you cannot produce them in the country?—No. Only the spoke for the bullock wagon, Scotch cart, trollies, etc.

967. What is the difficulty that we cannot make a light spoke if we can make a heavy one?—The wood is not suitable owing to its want of spring.

968. *Mr. Harlow.*] As to the imported hubs, are they as good for the heavy work in this country?—For wagons I prefer the Yellow wood from Alexandria; but the Knysna wood is not quite so good for hubs.

969. What I want to know is whether the Colonial wood is as good or superior for wagon hubs as the imported?—I have never used imported wood for wagons; I have always been content with what we get from Alexandria as being a good article.

970. Have there been any hubs imported into the country recently?—Merchants are continually importing hubs, but I have not seen wagon ones imported lately.

971. These spokes you were referring to just now; are you speaking of light buggies?—For light spokes I prefer second growth hickory.

972. What I want to get at is that the light buggy is not necessary for mercantile businesses?—Travellers use them.

973. It would not bear hardly on the people who buy these buggies if the 25 per cent. was on?—I do not think so.

974. And the 25 per cent. could go to the revenue of the country?—Yes.

975. You have no good wood for shafts?—If for a dog cart or anything of that kind there is nothing to equal the lancewood shaft.

976. You say it would not hurt anyone to have 25 per cent. on them?—No. It will not cost a man any more for his cart. What we complain of is that the Americans dump their carts here.

977. What would it cost approximately on a pair of shafts in a dog cart if you added 25 per cent. to the lancewood shaft?—About 7s. 6d.

978. And I suppose the buyer would not grumble about the 7s. 6d.?—I do not think so.

979. Have you any apprentices in your trade?—We used to have them, but I do not care to take them now because I consider it is a waste of their time, as there is not enough work in the country.

980. *Mr. Tod.*] You are a cart and carriage builder?—Yes.

981. Are you satisfied with the present tariff with regard to the ready made carriage?—No.

982. You want the duty increased?—Yes.

983. And that on the unfinished article to remain as it is?—Yes.

984. How much would you like it to be increased by?—50 per cent.

985. What for?—In order to enable us to build them in the country. But unfortunately we cannot get the wood, the Stinkwood from Knysna is getting finished.

986. Under the present tariff you are able to conduct your business at a profit?—No, sir, not against the American.

987. But didn't you get any advantage by the 1906 Convention?—They raised the tariff from 12½ to 25 per cent.

988. Did you find any improvement after that?—Not much, we cannot compete with the Americans on that. They put down a cheap trap against which we cannot compete. 25 per cent. on an American trap which cost £10 in America is not enough. People tell me you cannot buy these traps in America for the money. Another difficulty we have to contend with is the second-hand trap from England.

The Secretary pointed out that there was a special tax of £10 on second-hand traps imported.

989. *Mr. Harlow.*] That is a prohibited duty?—No. £10 is not much on a landau which cost £200 at a first class makers in London, and which is purchased at £25 or £30 for the vehicle in London. I bought some myself and only paid £40.

Confectionery, Jam and Preserve Making.

James Mudie, Managing Director of Pyott, Ltd., gave evidence as to Jams and Confectionery. He first dealt with the Jam Industry, saying:—

> "We started manufacturing jams in 1886, and had a protective duty of 2d. per lb. against the imported article. Sugar paid a duty of 6s. 3d. per 100 lbs. with a rebate to the manufacturer of 5s. 3d. per 100 lbs., which rebate was, however, cancelled in later years. In 1903 the duty on imported jams was 2d. per lb. and sugar 5s. per 100 lbs., and in 1906 jams 2½d. per lb. with a rebate of ½d. per lb. and the duty on sugar 3s. 6d. per 100 lbs. At the time we started manufacturing jams same were sold at 6s. 3d. to 6s. 9d. per dozen 1 lb. tins. Owing, however, to internal competition, reduced price of sugar and increased production of fruit, the prices to-day are about 40 per cent. less. The price of Apricot and similar jams being 3s. 9d. to 4s. per dozen, so that while the duty on the imported article has been maintained, the prices of Colonial jams have been considerably reduced. Many of the imported jams now on the market are such as cannot be produced here, viz.:—English Gooseberry, Raspberry, Red Currant, Black Currant. We do not ask for a higher tariff, but that the present duty be maintained as, owing to the improved quality and cheaper price of the Colonial article, there is likely to be a much greater demand for same. We should, however, like to recommend that the Government grant a rebate on the sugar used in jams exported, as with the increasing production of fruit some new markets must be found for surplus stocks.
>
> "We should like to point out that as in the case of confectionery, the jam manufacturers in the Orange River Colony are granted a bonus of 1d. per lb. on all jams manufactured by them, enabling them to undersell us."

990. *Dr. Viljoen.*] At present in the Orange River Colony there is a rebate on jams?—A bonus of 1d. per 1 lb. is given.

991. That is a protection to the local producer. Does it penalise you?—Yes.

992. When sending your stuff up there?—Yes, because they are able to undersell us.

993. What you are asking the Government to do is to give a small bonus?—No; I may say the Orange River Colony jams come down into the Cape Colony and compete with ours. What I asked for in my remarks was that the Government should grant a rebate on jams exported.

994. In the Orange River Colony they get a bounty?—Yes; 1d. per lb.

995. And you ask for a similar bounty here?—No, we have not done so.

996. You do not want it?—No, but I say this is a matter which should be dealt with at the next Conference.

997. The question was raised in the House of Assembly whether a bounty should be given to the Cape manufacturers, the same as is being done in the Orange River Colony. Are you in favour of that?—Either that, or do away with the other one.

The Chairman.] The complaint is that they make these jams in the Orange River Colony and bring them into this Colony to compete against Cape Colony made jams which do not get this preference. The matter was raised at the last Conference, when the Orange River Colony delegates said they would not grant any more bounties. The Transvaal tried to smooth matters over, but nothing was settled.

998. *Mr. Pyott.*] Was any promise made at the last Conference?

999. *The Chairman.*] No; but the matter would again be raised at the next Conference.

1000. *Dr. Viljoen.*] That is the matter which I am talking about. You want similar protection here for your productions to what the jam makers in the Orange River Colony enjoy?

1001. *The Chairman.*] They do not ask for it.

1002. *Dr. Viljoen.*] I presume what he wants is to be put on a similar basis to the jam makers in the Orange River Colony. If the Government in the Orange River Colony gives a bounty of 1d., and we find it impossible to prevent them doing so, then we must place the Cape makers in the same position. Is that what you want?—Yes, place us on an equal footing.

1003. A better thing would be to prevent the Orange River Colony giving that bounty?—Yes, do away with it altogether.

1004. As far as the Colonies are concerned. Do you know the system of bounties which prevailed, and do prevail, in the Australian Colonies?—No, I have no knowledge of them.

1005. But you know they are adopted there?—Yes, I believe they do.

1006. A bounty is a sort of protection, is it not?—Yes, it is a form of protection.

1007. Would you be in favour of the State giving a bounty on the export to encourage the export of such a commodity as jam made in the country?—Yes, either a bounty or a rebate.

1008. What I want to get from the witness is, would you advocate the State giving a bounty on the export of jams oversea to enable you to compete with the article of that particular country?—I would advocate that the Government grant a rebate on the sugar which is used in the manufacture of jams, thus enabling the makers to export.

1009. I want you for the time to efface the rebate question and come to the question of giving bounties on articles like butter and jam made in this country. I will put the question in this way. Can you at the present moment manufacture your jam here from Colonial fruit, export it to the European market (say to England), and compete with the production of that country?—I am referring, of course, to fruits which are grown here and not in England.

1010. I am talking of Colonial fruit?—I think we could lay down jams in England at a reasonable figure, which would enable the people to buy.

1011. Without any bounty?—Well, no, if Government granted this rebate which I ask for.

1012. *Mr. Pyott.*] Are you in a position to compete with plum jam in London? —No, but we can compete with the fruits grown in the Colony.

1013. *Dr. Viljoen.*] Can you place these articles on the English market and compete with the local productions there?—There is no such production.

1014. Well, its equivalent?—It stands to reason if the people do not care to pay the price at which they were landed there would be no business.

1015. Are you exporting?—Not yet.

1016. Are you producing sufficient for the requirements of the country?—Yes, we could do a great deal more if we had a large market.

1017. If the population was larger?—That is one point.

1018. And the other?—Export from South Africa.

1019. Are you producing sufficient for the requirements here at the present time?—Yes.

1020. Can you get rid of all your production here?—Well, we have been increasing our sales.

1021. There are these jams made from almost exclusively Colonial productions, Cape gooseberry, quince and pineapple. Do you manufacture them at present?—Yes.

1022. You have not attempted to export them yet?—No, not yet.

1023. Should you export these jams to England would you require a bounty or would you be able to compete in the open market there?—It will be all a question of price on the other side.

1024. Are there any other jams made here in addition to these?—Yes.

1025. The ordinary jams?—Apricot, apple, fig, etc.

1026. But the apricot is not grown in England?—They are supplied to the English market.

1027. The raw material?—Yes.

1028. As to the rebate, what you ask for is a rebate on the duty on the sugar utilised in making jams in your business?—Yes, for export.

1029. Only for export?—Yes.

1030. *Mr. Tod.*] You are satisfied with the present tariff?—Yes.

1031. What would the rebate on sugar amount to per lb. on jam?—That is a question which would have to be dealt with by a competent board of men, because the quantities of sugar used in a given quantity of jam would have to be taken into consideration.

1032. *Mr. Tod.*] With regard to the rebate on the export of jams, how would you get at the quantity of sugar used in so many lbs. of jam?—That would be, as I have said, a matter for a board of competent men to go into.

1033. And would they be able to say that there was a given quantity of sugar for a certain quantity of jam?—I see no difficulty.

1034. You are to-day producing more jam than there is a consumption for?—Yes, we would like to find new markets.

1035. Is it a fact that the Orange River Colony people send jam into the markets of the Cape Colony?—Yes, and into the Transvaal.

1036. But you do not approve of the principle of bounties; you would rather have it in the shape of a rebate on sugar?—Yes.

1037. *Mr. Tod.*] What would be a fair amount to give on jams exported?—They might give 2s. per 100 lbs. on the quantity of sugar used.

1038. Cannot you suggest so much per lb. of jam exported from the Colony for foreign use without regard to the quantity of sugar used?—Well, I have not thought over that.

1039. There will be a great difficulty?—A simpler way might be to grant ¼d. rebate per lb. on exported jams.

1040. Do you really think with a little encouragement by means of a rebate on sugar you could build up export trade in certain lines of jams?—It would give us the opportunity. The Government would not lose anything.

1041. What makes you think you could do it if you had certain assistance?—Well, we know other manufacturers have sent Home; there is a demand for the like of Cape gooseberry, a fruit which is apparently very well liked at Home.

1042. *Mr. Harlow.*] Provided this rebate could be given, would it have a tendency to make you manufacture jams to send oversea to the detriment of the local consumer?—No. In what way do you suggest that?

1043. If you had an open market oversea whereby you could reap a larger profit than here, would it not have a tendency to go past the local market?—Oh, no.

1044. In reference to the tins you put your jam in. Do you import them?—We import the sheet tin and make the tins here by local labour.

1045. How many men have you employed in your jam factory?—In the jam factory during the season about 60 to 70 people.

1046. What is the proportion of whites?—Fourteen.

1047. What rate of wages do you pay?—From 6s. to 10s. per week, and £5 10s. for the manufacturing of the jam.

1048. Supposing you get this rebate, would it have a tendency to increase your labour supply?—Undoubtedly.

1049. *Dr. Viljoen.*] Where do you get your fruit from?—From both Eastern and Western Provinces.

1050. Is there much produced in the Eastern Province?—Yes.

1051. What do you get from the Western?—Apricots.

1052. There is sufficient fruit produced here in the Eastern Province to carry on your factory, with the exception of apricots?—Yes.

1053. Is yours the only factory here?—At the present time in Port Elizabeth.

1054. Were are the others?—There is one at Grahamstown and another in East London.

1055. And you practically get all your fruit from the Eastern Province?—Yes.

1056. And you get an abundant supply?—Yes.

1057. Do you know anything about fruit culture in the Western Province?—No, I am not an expert.

1058. Would you be surprised to hear there is an almost unlimited quantity produced in the Western Province?—I would not.

1059. *Mr. Pyott.*] Last season, although you contracted for something like 25 to 30 tons of apricots, you had 70 tons sent in, and you did not know what to do with it?—Yes.

1060. And there were 50 tons of plums in the Western Province which they could not find a market for?—Yes, they could be got at a very low figure.

1061. *Dr. Viljoen.*] And with facilities you could convert all that into jam?—Yes, that is so.

1062. *Mr. Pyott.*] As to the labour for which you pay 6s. to 10s. per week; that is for fruit pickers and girls?—Yes.

1063. How long would they be employed?—For from four to six months of the year.

1064. What is the capacity of your jam factory?—We are equipped for an output of 10 tons per day.

1065. Have you done that quantity?—Yes, we have done as high as 22,000 to 23,000 lbs. in a single day.

1066. Of course you could not continue this for all classes of fruit?—No; it would all depend on the class of fruit we were getting.

1067. Do you make all the tins here?—Yes.

1068. Only importing the tin in the raw state?—Yes, in the sheet.

1069. Do you find any competition from English jams at the present time?—Yes, there are varieties of English jam coming in which, of course, we cannot produce.

1070. Such as what?—Red and black currant.

1071. You say in the early days' prices of your jams were 6s. 7d. to 6s. 9d. per dozen tins, and you have reduced it to 3s. 9d. to 4s. How has that come about?—Material competition and the increased production.

1072. As to your jam tins, do you make them all the year round?—For a considerable portion of the year.

1073. You are giving steady employment to men in the country?—Yes, to tinsmiths.

1074. With reference to the bounty paid in the Orange River Colony. Can you suggest any remedy for this?—Well, the remedy would be to have it done away with altogether.

1075. And supposing we could not for a period of years?—The only thing would be for our Government to take into consideration the granting of some sort of assistance to local manufacturers.

1076. That would run into an enormous sum yearly, according to the amount of jam made in the country—Yes.

1077. As to the rebate on sugar, I suppose you do not mind whether it is given in the favour of bounty or a rebate?—You might call it a rebate or bounty.

1078. *Mr. Scott.*] You make no reference whatever to the duration of the tariff. How long would you like to see it without any change?—Well, for not less than five years at any rate.

1079. *Dr. Viljoen.*] You are aware there is a preference in the railway rates for Colonial productions?—Yes.

1080. Does that benefit you?—Yes.

1081. Does it benefit the jam factory?—Undoubtedly.

1082. You would be in favour of the withdrawal of that preference?—No, I am in favour of it being maintained.

1083. *The Chairman.*] Don't you think it gives an advantage to the coast ports over the inland towns, and tends to drive all the industries to the coast ports?—Well, the manufacturers at the present time are at the ports.

1084. Is the prejudice as strong now against the Colonial article as it was formerly?—Well, a prejudice still exists, but I think that is gradually being got over by the improved quality of the article itself.

1085. Is it correct that some jam makers buy the refuse fruit and make particularly cheap jams?—I have never heard of it.

1086. Do you use the best fruit?—Yes; it would tell in the quality of the stuff if we did not.

1087. But if I tell you Colonial jams are being sold at less than 3d. per tin?—Well, they must be using inferior fruit.

1088. Can these jams be legitimately made and sold at less than 3d. per tin?—Well, a great deal depends on the price at which they got the fruit.

1089. *Dr. Viljoen.*] Do you make fruit pulp?—We pulp the fruit.

1090. For export?—No.

1091. Is it possible to do it?—Yes, it is possible with the fruits I have mentioned.

1092. But cannot you make tomato pulps?—There would be nothing to hinder that.

1093. Then would not that open a field for a large export trade?—Probably.

1094. *Mr. Harlow.*] You have not mentioned marmalade?—It comes in the same category.

1095. Have you any difficulty in getting oranges and lemons?—No, you must remember a good many people do not care for marmalade, and if there is not the demand for it, it is not worth making.

1096. *Mr. Pyott.*] Of what do you make marmalade?—Seville oranges.

1097. Is it a fact that you were offered 40,000 Seville oranges from Cape Town?—Yes, I believe that is the number.

1098. And you could not do with them?—No.

Witness then gave evidence *re* the

CONFECTIONERY INDUSTRY.

He said: This industry was started in Port Elizabth about 22 years ago in a small way, most of the goods turned out being either hand made or hand machine made. At that time the duty on imported Confectionery was 2d. per lb. and on Sugar 6s. 3d. per 100 lbs. with a rebate of 5s. 3d. per 100 lbs., which rebate was, however, cancelled in later years. In 1903, the duty on Confectionery was 2d. per lb. and Sugar 5s. per 100 lbs. and in 1906, 2½d. per lb. with a rebate of a ¼d. per lb. and the duty on Sugar 3s. 6d. per 100 lbs. The protection given was the means of starting a good many firms in this industry, and in course of time the competition resulting therefrom brought down prices of Colonial goods pretty considerably. We do not ask for a higher tariff, but that the present duty be continued. We should like to draw the attention of the Commission to the fact that the Orange River Colony—a State within the Customs Union—is paying a bonus of 1d. per lb. to Confectioners there on all Sweets manufactured by them and which enables those manufacturers to under-sell us, not only in their own Colony and Transvaal, but in this Colony as well, and we consider this is a matter that should be dealt with at the next Customs Conference.

1099. *Mr. Tod.*] Would you not be in favour of doing away with the differential railway rates if you had corresponding protection given in the shape of an extra duty at the seaports?—That would depend on whether you can increase the protection at the seaports, and make the railway rates level.

1100. What you want is a protection against the imported article?—Yes.

1101. And if you get it in the shape of Customs duty or differential railway rate would not matter?—It would be the same.

1102. And if the railway preference were taken away you would expect a corresponding increase in the duty?—Yes.

Furniture Manufacturing.

George Frederick Hoy, of Hoy and Griffiths, Ltd., representing the Furniture manufacturers, handed in the following statement of duties required for the protection of the above Industry:—

FURNITURE TRADE.—Furniture for Home, Office or Shop, wholly or partially manufactured, in parts, or finished, Office fittings, Chairs N.O.S., wire mattresses, upholstery, Mantelpieces other than stone, excepting metal and bamboo furniture, Ice Chests or Refrigerators, Roll Top Desks, Perambulators, Mail Carts, Asceptic Hospital Furniture, Dental and Surgical Cabinets	25 per cent.
Bedsteads Iron, or Iron and Brass	10 „
Billiard Tables, Bagatelle Tables, Cues, Racks and assessories for same ...	10 „
Carpets, Linoleums and all floor coverings and Furniture Drapery ...	10 „
Chairs, cane or wood seat the value of which including cases does not exceed 60s. per doz.	10 „
Goods, N.O.S.	10 „

N.B.—Goods of Foreign manufacture shall pay an increased duty of 25 per cent. on the proposed new tariff.

FREE LIST.

Algerian Fibre, Coir, Down, Feathers, Flock, Glue, Hessian, Kapoc, Leather Cloth, Polish, Varnish, Finishing Polish with not less than 4 oz. shellac to the gallon, Roans, Morrocco Leather, Hides for upholstering purposes, Upholsterers' Springs, Scrim, Upholsterers' Twine, Wire for mattress making, Webbing, Wadding.

These recommendations, really only apply to what is furniture pure and simple. Goods which cannot be manufactured in the country we are anxious to see reduced, to make it easier for the consumer. I have an example here, worked out, which will simplify matters. It practically shows the cost to the consumer will be much the same.

EXAMPLE.—HOUSE : 4 ROOMS, KITCHEN AND BATHROOM.

	Plus 25%.	Plus 10%.	Plus 15%.
	£ s. d.	£ s. d.	£ s. d.
Dining Room—			
1 Suite, 9 pieces	10 10 0	—	10 10 0
1 Sideboard	8 10 0	—	8 10 0
1 Overmantel	2 10 0	—	2 10 0
1 Table	4 10 0	—	4 10 0
1 Table Cover	—	1 5 0	1 5 0
1 Pair Curtains	—	0 18 6	0 18 6
1 Carpet	—	6 10 0	6 10 0
2 Blinds for	—	0 15 0	0 15 0
Cutlery	—	6 10 0	6 10 0
Plated Ware	—	10 10 0	10 10 0
4 Pictures for	—	5 0 0	5 0 0
1 Rug 12/6, Fender and Irons 35/-	—	2 17 6	2 17 6
Drawing Room—			
1 Suite	12 10 0	—	12 10 0
1 Cabinet	7 10 0	—	7 10 0
1 Occasional Table	2 5 0	—	2 5 0
1 Floor Lamp	—	3 15 0	3 15 0
1 Carpet	—	8 10 0	8 10 0
Crockery and Vases	—	3 10 0	3 10 0
1 Rug 15/-, Curtains 30/-	—	2 5 0	2 5 0
Bedroom—			
1 Suite	22 10 0	—	22 10 0
1 Bedstead	—	5 10 0	5 10 0
Mattresses	3 0 0	—	3 0 0
Bed Linen	—	4 10 0	4 10 0
Curtains 15/-, Blinds 10/-	—	1 5 0	1 5 0
Carpets 80/-, Rugs 10/-	—	4 10 0	4 10 0
Crockery	—	2 10 0	2 10 0
2nd Bedroom—			
1 Suite	15 0 0	—	15 0 0
Bedstead	—	4 10 0	4 10 0
Bedding	2 5 0	—	2 5 0
Bed Linen	—	4 0 0	4 0 0
Crockery	—	1 15 0	1 15 0
Carpets 60/-, Rug 7/6	—	3 7 6	3 7 6
Curtains 10/-, Blinds 5/-	—	0 15 0	0 15 0
Pictures	—	2 0 0	2 0 0
Kitchen—			
Stove	—	2 15 0	2 15 0
Utensils	—	3 0 0	3 0 0
Kitchen Sundries	—	3 10 0	3 10 0
Linoleums	—	1 15 0	1 15 0
Table	0 15 0	—	0 15 0
Chairs	—	0 10 0	0 10 0

Freight	£40 0 0		91 15 0	98 18 6	190 3 6
Packing	20 0 0	Duty	22 18 3	9 17 10	25 11 6
Insurance				114 13 3	
Dock Dues					
Landing	20 0 0	Total		223 9 7	215 15 0
Commission				215 15 0	
Sundries					
		Difference		£7 14 7	
	£80 0 0				

1103. Do you think if the duties recommended were imposed that more furniture would be made in the Colony?—Yes.

1104. Do you think there is demand enough to establish the furniture industry?—Well, it has been established for a good many years, but is not very flourishing just now.

1105. But would not the question of carriage come into serious question supposing you had to deliver to an up-country town or to East London?—We would not be able to deliver to East London, because the factory there would probably deliver. We would have our geographical sphere in which we could deliver goods before we came into competition with anyone else.

1106. Have you not sufficient protection?—I judge not, from the fact that several factories in Cape Town have practically closed up. One large factory there which formerly found employment for three to four hundred hands only employs a few hands to-day.

1107. Is that not due to depression? Furniture having been over-imported and the stuff sold on the auctions?—Yes. The amount of goods placed on the auction sales is a serious detriment to the trade. In many cases this stuff is built for the purpose; there are some large firms in England who make a speciality of constructing goods for auction sales. This furniture is built in the slums of Whitechapel and it is difficult to compete against anything of that kind.

1108. Is it sent out on consignment or is it bought?—I have not been able to ascertain, and, therefore, I would not like to express an opinion. These factories do nothing else; they use the commonest of materials; a fine show is made for outward appearance, which appeals to the public. The buyers think it compares well with what they see in respectable shops, but they afterwards find out to their sorrow that it does not last as long.

1109. Can you make any suggestion by which this class of trade can be kept out?—Only by a heavy protection duty; but I understand in Canada they deal successfully with it by Act of Parliament. Some time ago Canada suffered severely from the same kind of thing.

The Secretary.] These goods are surcharged in Canada, and treated in the same way as "dumped" goods.

1110. *Mr. Tod.*] What is the present duty on furniture?—Fifteen per cent., with a rebate of 3 per cent.

1111. And you propose to make it 25 per cent.?—Yes, as regards manufactured furniture.

1112. Is all the raw material imported for manufacturing furniture?—No; there is a certain amount of local growth used.

1113. What percentage?—In the example I quoted I have worked out the percentage. It shows 147 feet of local as against 233 feet of imported timber. The inside woodwork is Colonial, but in many cases we can use Colonial timber for outside. We have some very good wood at Storm's River, Essenhout, White and Red Els. The difficulty is in the seasoning of these woods.

1114. Do you think a duty of 25 per cent. would ensure that all classes of furniture would be manufactured in the country?—Well, I would not like to say that; I do not think it would. For instance, take an upholstered suite. The frames are very elaborately carved. They might be imported here; but that class of thing would be rather difficult to make here. Heavy goods, chests of drawers and sideboards, could easily be made here.

1115. Do you propose any reduction of duty on the frames?—No, I would like to see work of that class encouraged.

1116. And the wood you wish free?—In an unmanufactured condition, of course. At present, it comes in unmanufactured practically free, but when in a finished state it has to pay the *ad valorem* rates.

1117. Is there a fair business in manufactured furniture here?—Yes. Two or three years ago there was more, but the trade is stagnant at the present time.

1118. Don't you think that is owing to the general depression and not to the tariff? I suppose there is very little imported stuff coming just now?—Well, I saw 30 cases of English furniture going along the street yesterday, and I daresay that represented employment for 30 men for a month.

1119. What class of labour do you use?—Skilled white labour for skilled work, but the rough work is done by the better educated coloured man, such as rough sawing; but when it comes to the actual fixing up of furniture I think there is no industry in which skilled artisans come in so naturally as the furniture trade.

1120. *Mr. Harlow.*] In your first class here, for which you suggest a 25 per cent. tariff, you mention wire mattresses. Do you think it possible to introduce that industry into this country?—It has been done for some time. There is a factory in King William's Town, one in Cape Town, and one in Port Elizabeth.

1121. You say here "mantlepieces, other than stone, excepting metal and bamboo furniture." Why except them?—We cannot make them. It is beyond our province as furniture manufacturers.

1122. But is there no reason why the stoneworker should not be protected?—That is for some other industry to take up. We are dealing with mantlepieces we can handle. We refer to woodwork.

1123. It might possibly mislead the Commission to make a special note of that?—It is for some other industry to take up and bring the merits of the industry before the Commission.

1124. Billiard tables, etc. You only suggest 10 per cent. duty on these?—Yes.

1125. What is the reason?—Because I do not think they can be made here. There have been various attempts made, but without success. There is a preference for various makes, and it is difficult for the small maker to contend with, owing to the people saying "I want so-and-so's table.

1126. Are they necessary to life?—Well, that is a question for this Commission. I am not prepared to say where the necessaries of life come in; we are only dealing with the matter from a furniture point of view.

1127. It is not an everyday necessity for the population?—No.

1128. As to chairs, cane or wood seat, etc., will you explain that?—That is a point that we discussed at Cape Town, when the different makers met there. There were seven or eight different makers, and we went into the matter very minutely. We found that in Cape Town there were a number of people employed on the cheaper chair, and that there was a fair competition, but the American chair below 60s., maker's cost, could not be produced in this country.

1129. If the tariff was made higher, would it interfere with the merchant in any shape or form?—Possibly it would; it might eliminate the variety and bring it down to a few patterns, which could be made in quantities.

Then as to the "N.B. goods of foreign manufacture," that is simply a recommendation, it is a matter for Government, and not one over which the manufacturers ought to have any influence. It is a question of politics.

1130. Is it not possible to get down in this country?—No.

1131. Have you not had experience of it in this country?—No, I should be only too glad to see it, but we have never had it offered to us in any quantity.

1132. What hair do you refer to on your free list?—Horse hair.

1133. Morocco leather for upholstering. Is it not possible to get this manufactured in the country?—I have asked the majority of tanners, but they say they cannot make it.

1134. Would you be surprised to hear it is being made in the Colony?—I should.

1135. Well, I assure you it is a fact?—Oh, indeed.

1136. What is the average wage you pay to your skilled mechanics?—Eighteen pence per hour; 48½ hours per week. All our skilled mechanics get that remuneration.

1137. Who fixed that rate?—Competition fixes it. It has been that rate for some considerable time.

1138. Do the employers and men meet to fix the rate?—No, I always give my men good wages.

1139. Is it not a fact that the average wage for the wood worker is 1s. 9d. per hour?—I do not know anything about that: I am only dealing with my own particular trade.

1140. Is it not possible to get carving done in this country?—Yes, we do it.

1141. As to the invoices of goods from oversea. Is there any declaration made regarding them?—Yes.

1142. And the conditions under which the goods are being made?—No, nothing is said.

1142a. *Mr. Pyott.*] As to your exemptions; you except metal and bamboo furniture, ice chests and refrigerators, etc.?—We have exempted nothing we do not think could be made here. Personally I do not think refrigerators could be made here. We could produce them, but we cannot compete in price.

1143. Hospital furniture?—That is a particular kind which cannot be made here.

1144. Coming on to the free list?—The articles are free to-day, with the exception of one. I think there is a modification so far as varnish and polish are concerned.

1145. What do you mean by leather hides?—Buffed hides; it is a split hide.

1146. Cannot we produce it here?—No.

1147. Seeing you have a proposal here for 25 per cent. on furniture, don't you think the free list might be eliminated for revenue purposes?—Then you will neutralise the benefit of 25 per cent.

1148. But we want some revenue to carry on the country?—Yes, quite so.

1149. What percentage of your business do these items make?—In the manufacturing department only it would represent 10 to 15 per cent.

1150. Then do you think 10 per cent. on these items would be any hardship?—It would make the industry less flourishing.

1151. But I think that is the mistake you Colonial manufacturers make. The revenue to Government would be very small, not worth collecting.

1152. And you think it is necessary for furniture manufacturers to have 25 per cent. to enable them to compete?—Yes.

1153. To prevent dumping?—To prevent consignments of furniture coming in.

1154. And this would give employment to a considerable number of Colonial people?—Yes.

1155. And use of large quantities of Colonial material?—Yes.

1156. *Dr. Viljoen.*] Have you any particular reason why perambulators should be taxed 25 per cent.?—Well, if it would increase the population, I should like to see them on the free list.

1157. Would you think that increase would be materially affected by having no tax?—I do not think it would.

1158. As to your "N.B." clause, why do you propose 25 per cent.?—On the same principle that, if you are in business, a relative approaches you to do business you would probably give him a preference, all things being equal.

1159. It is for sentimental reasons?—Yes; I consider it a duty to recognise the Mother Country.

1160. But you are not only recognising the Mother Country, but all the daughters and sisters?—Well, they are our own family.

1161. Then it is a sentimental reason?—Yes; if you call it such, but I think it is our duty to the Mother Country which has done so much for us.

1162. Then your duty is defined by percentages?—There can be only that in any trade relations.

1163. Then why not make it a 100 per cent.?—Well, "charity begins at home."

1164. Have you ever tried to make furniture from Blackwood?—I have never tried it, we use Stinkwood.

1165. Blackwood is being planted by hundreds of acres in Cape Town district?—We are always willing to try any wood which can be used for manufacturing purposes in our line.

1166. *Mr. Kayser.*] Your reasons for recommending 25 per cent. was in order to put a stop to these sales of dumped furniture?—That was my chief reason.

1167. And that being your chief reason, would it not have been a simple matter to suggest a remedy confined to such goods?—Yes, but I do not think I can make such a suggestion.

1168. You wish it to go forward that you want to stop the furniture which comes in regularly for auction?—Yes.

1169. You made use of the expression that these goods are consigned. Do you know that is a fact?—I am not in the confidence of the auctioneers.

1170. Do you know it is consigned?—I cannot say. I do not know whether it is consigned or imported.

1171. If it is imported, what would your reasons be for making a differential duty?—It is not a matter whether it is consigned or imported. It is the mere fact that the auctioneer is selling it.

1172. And would you make that duty for new goods only?—All goods imported for auction.

1173. And that would apply to new goods?—Yes.

1174. Taking your argument that you have made this recommendation because you wish to stop these auction goods; have you any reason to give why the general public should have to pay so much more for their furniture?—In the form I submit to you I contend ultimately the buyer would have to pay very little more.

1175. You said 3¼ per cent., but I think I can show you it will be more. You maintain that the people would not pay more?—Not much, but a larger proportion would be manufactured here.

1176. Your contention is that it will not be imported?—Yes, but to follow that up you will have to recompense Government in other ways.

1177. By placing a duty of 25 per cent. on furniture, you practically prevent the importation?—No.

1178. What will prevent it?—There will always be a number of people who will import furniture, but it will help to prevent auction sales.

1179. That is your object?—Yes.

1180. I asked you the figures separately, for this reason. You estimated the duty on the £91 15s. will be £22 18s. 3d., that is 15 per cent. Then with 10 per cent. you estimate the furniture will lose £98 18s. 6d., the duty being £9 17s. 10d. Therefore on your suggested furniture house for which the consumer pays £223 9s. 7d.; the duty which amount to £32 16s. 1d., of which I can see £9 17s. 10d. going into the coffers of the Government. Can you inform us how the Government is going to make up that £22 18s. 3d.? Because if the furniture is going to be made in the country the duty will not go to the Government, except on the rough, unmanufactured article. Can you tell us in what way you would recommend the Government to make up the loss of duty?—I should not make any such recommendation. The matter will adjust itself in having more men employed in the country, who will increase the demand for other productions.

1181. That is your statement, but you give me no facts?—Yes, it is all theory.

1182. This Commission is here with the object of assisting the Government to raise revenue as well as to assist the manufacturer. You have no figures to submit?—No, sir.

1183. You have been very honest about this matter. You have clearly told us that on this suggestion the consumer will pay?—Yes, about 3¼ per cent.

1184. You do not tell us, as other manufacturers do, that the duty will not increase the price?—I have my own views on that matter. I am convinced that if the duty is increased to three or four times what it is at present, we shall be able to produce goods cheaper than the imported article. When I was in Canada I enquired into that matter closely, and found that to be their experience.

1185. But in Canada a great deal of the stuff manufactured there is grown in the country?—Yes, the timber.

1186. You stated that your business had fallen off a good deal?—I did not say that; I said the trade generally had.

1187. You are representing the furniture trade. And you say it has fallen off a great deal?—Yes.

118. And they are employing less hands. When did they employ more?—In 1905.

1189. Was that before the present tariff?—Yes.

1190. And to-day fewer hands are employed?—Yes, in Cape Colony generally; I do not refer to Port Elizabeth particularly.

1191. Is it the reverse in Port Elizabeth?—Well, I think they are slightly less. To-day the people here are asking more for Colonial furniture than they used to do.

1192. As a matter of fact you take a great interest in the manufacture of Colonial furniture, and have been fairly successful?—I should not say fairly successful.

1193. Are you employing more men?—About half what we used to do.

1194. And do you attribute that to the want of a protection duty?—Yes.

1195. Do you import furniture?—Partly.

1196. And you find that your trade has increased during the last two years?—On the contrary.

1197. Has it decreased more or less?—A larger proportion on the imported article than on the Colonial one.

1198. To a certain extent that may be attributed to sentiment, because people have been encouraged to purchase Colonial articles?—There is a growing sentiment in favour of Colonial manufactures.

1199. But the fact remains that, owing to the depressed business generally, the sale of both imported and Colonial furniture is less than two or three years ago?—Yes, as a matter of fact I have closed up our principal factory.

1200. But the furniture trade to-day is practically nil?—Quite so, there is a difference of 50 per cent. in the imports compared with previous years. In 1906 it was £286,000, whereas the year before it was nearly double again. These are the actual figures.

1201. Have you not a reasonable freight?—It depends on the class of steamer.

1202. What percentage would you have to pay in freight?—It is very difficult to say.

1203. Well, roughly?—We never pay any high freight on furniture; the highest rate we pay is 31s. 3d. The cost of freight would come out about 20 per cent. from England, and probably 40 to 50 per cent. on knock-down stuff.

1204. The duty on American is 15 per cent. and on English 12 per cent.?—Yes.

1205. Roughly you get a protection on British furniture through the freight of 20 per cent.; the duty is 12 per cent., and that makes it 32 per cent.?—Yes.

1206. And on American furniture of 35 per cent.?—Yes, but you have to consider the freight on the raw material as well.

1207. What is the rate of freight on rough timber from America?—I believe the last I paid was 22s. 6d.

1208. And the freight on common furniture to Port Elizabeth is 30s. and on rough wood 22s. 6d.? So there is a considerable difference there?—Yes.

1209. And on the better class furniture the freight is 33s. 9d.?—There is a certain amount of waste wood in the material imported. The difference is as between 22s. 6d. and 30s., plus the cost of packing.

1210. It was suggested to us that bevelled glass should be charged 33 and one-third per cent. duty. How would you arrive at that; have it separately valued?—I would have no objection to that, because I think competition would bring down the price here.

1211. You see no difficulty as to arriving at the value of the bevelled glass in the article?—No.

1212. Is it not possible to use more Colonial timber in the manufacture of furniture?—Yes, I should like to see it very much.

1213. If you use Colonial timber cannot you work at a lower figure?—Yes, we do.

1214. Is Essenhout wood as costly as the imported?—It is all estimated in the cost, wherever it comes from. Essenhout wood is less expensive than some of the woods we import for similar purposes.

1215. Is it possible to use yellow wood?—Yes, we use it.

1216. As a matter of fact is it very cheap?—About the same price as poplar.

1217. You mentioned the fact that Mangolds were thinking of putting up a kiln to season the wood. Is not that one of the difficulties right through with our Colonial manufactures, that the wood requires seasoning, and the people do not season it?—Yes, but they are making preparation to do so now.

1218. You mentioned that wire mattresses were being made in the country?—Yes.

1219. How much of that article is actually Colonial manufacture?—The wire is imported.

1220. As a matter of fact the whole of the material is?—Yes, but the wire is a very small part of the finished mattress.

1221. As to billiard tables; why do you put them down at 10 per cent.?—Because we cannot manufacture them; but if for Customs purposes 50 per cent. is put on it is not for me to object.

1222. But you made the suggestion of 10 per cent. because you could not manufacture them?—Yes.

1223. Is it an article which should be let in on low duty?—It is a luxury.

1224. And the man buying it should be prepared to contribute something towards the revenue?—Yes; I am quite prepared to take out this suggestion altogether.

1225. You mention chairs, cane or wood, on which you propose a reduction?—Yes.

1226. Why?—We have recommended an increase in one case, and we want to try and balance matters. We want to reduce the cost to the consumer.

1227. It is quite problematical whether we get some duty or not?—I should say we shall in other forms.

1228. At all events the duty on common chairs should, you state, be reduced. Then why not include other things used by the people. American bureau for instance?—Because I think with a fair demand they could be manufactured here at a price. Their price has advanced recently, and the cost of freight has increased.

1229. They are selling wholesale at 21s.?—I do not know that. If it is a case we cannot compete, but the quotation must be wrong.

1230. But you cannot make a bureau at the price?—I don't quite see your point yet. If you say you want 100 at 35s., we could make them; I would take your order at once.

1231. But I want to know why you single out chairs? My object is to simplify the tariff as much as possible?—I prefer not to answer.

1232. With regard to railway preference; do you get any advantage?—Yes, 20 per cent. reduction.

1233. So you get a preference over the railway?—Yes. Over a distance of 485 miles I think the difference would be about 10s. on a suite costing £15.

1234. A suite weighing about 400 lbs.?—Yes.

1235. What duty would you pay on that suite if you imported it?—The present *ad valorem* rate of 15 per cent.

1236. Are you in favour of preferential rates?—No.

1237. But you get a protection of about 6¼ per cent.?—Yes.

1238. You say you have no objection to the abolition of the railway preference?—No.

1239. You think it would be in the interests of the Colony?—Yes.

1240. You do not think it would affect your manufacture if the assistance were withdrawn?—If I considered my own pocket I would not recommend it, but I want to consider others as well as my own interests. Just now the manufacturers are concentrated at the coast, but there might be scope in the inland towns, and I want to give my brother manufacturers the same chance as myself.

1241. *Mr. Scott.*] Is the Colonial furniture equal to the imported in quality?—In many cases it is better, because the imported stuff is usually built for the English climate, whereas in this country it is less suitable.

1242. Does wood seasoned here stand the climate?—Yes, I am certain in many cases it does. The English manufacturer puts in ½ inch gables, but we never give less than an inch.

1243. You mean the English article will not stand?—No, it warps and splits.

1244. You stated that you can use Colonial wood, Essenhout wood?—Yes, but not wholly.

1245. Probably you could use a great deal more if kiln dried?—Yes, for interior work, shelves, drawers, linings, etc.

1246. And white Els?—Yes.

1247. Yellow wood?—Yes.

1248. The only reason is you cannot get it dry?—Yes.

1249. You have not tried to do something to dry the timber?—We have, with a rough and ready apparatus, one of our workshops, but the heat was too great and the wood buckled.

1250. You did not dry your timber, as it were, merely dried the outside?—Yes.

1251. And, I take it, the reason you ask for an increased duty is simply to keep the dumping out?—Yes; the furniture which goes to the auction sales.

1252. And you fairly exclude the cheap chair, which you cannot make?—Yes.

1253. You did not mention school furniture in your list?—Well, we never make any school furniture ourselves, at present it is imported free under the tariff. I do not see any chance of making it; it may be done in other factories.

1254. It is a very plain wood?—Yes, but it is specialised. The furniture people have not taken it up.

1255. Of course, there is a large amount of school requisites which could easily be made? Clubs and dumbbells, which might be made out here from Knysna timber?—Yes, but that is outside the province of the furniture man.

1256. Have you any recommendation to make as to the class of timber we should plant for furniture making?—No; I should prefer to leave that to authorities.

1257. I suppose then if we put an increased duty on furniture that furniture will always be imported; it will not be kept out?—No; nothing but an absolutely prohibitive duty will do it.

1258. So that the Government is bound to get a large amount of revenue, even supposing you make furniture here?—Yes, undoubtedly.

1259. *The Chairman.*] Do you think if the Government made arrangements, such as were discussed at the last Conference, to guard against dumping that might do away with the necessity of increasing the duty?—I do not know how that would apply to auction goods. If I were satisfied that they could be dealt with, I would be content with the 15 per cent. I have looked at the question in various aspects, but

The Secretary read the Canadian dumping clause, and the witness said he would be quite satisfied with that.

1260. *The Chairman.*] The difficulty about that is it will make it hard for the merchant to import goods. Do you think an increase of auction dues, say to what they were before, will help? I do not think that will make sufficient difference, but with the other it might help. I wish to add I have no objection to *bona-fide* sales.

Milling, Flour, and the Manufacture of Oatmeal, &c.

William Pringle, Managing Director of the South African Milling Company, made the following statement:—

"In giving evidence this morning as Manager of the South African Milling Co., Ltd., I am also authorized by the other millers in Port Elizabeth to represent them, so that what I say may be taken as the views of the millers in this part of the Colony. I think it will be admitted that the Milling Industry is far and away the largest and most important in this country. I am unable to say at the moment the amount of capital invested, because I have no returns from other mills, I have not asked for them, but taking our own mill as the standard, and judging the capacity of the other mills in comparison with ours, I reckon that, the amount invested in the milling business is not less than £2,000,000. I think if returns were procured, the exact amount would be found to be considerably above that sum. As regards the wages and salaries paid by Milling Companies in the Cape Colony, I find, basing my calculations in the same way, they amount to not less than £100,000 per annum, and, if the total expenditure in the Cape Colony, is taken including salaries, wages, interest, fuel, insurance, etc., it would be found that no less an amount than £240,000 was spent annually in South Africa. With regard to the number of men employed, my estimate is that there are at least 600, of whom 200 I estimate are white, and 400 coloured and black. As far as I know the Milling Companies at the present time have only one serious grievance, and it is one which I think, from what I have already read in the papers, most of the industries in this country suffer from namely:—the 'dumping' process which goes on. Frequently flour from Australia is offered here at a mere shade above the prices at which we buy wheat from the same country, and the reason is not far to seek. The business of the Australian miller, as of any foreign miller, is to keep his mill going 24 hours a day, and when things are prosperous in his own country and he can sell his products there, he does not trouble us, but as soon as things get slack in his own country, he immediately sends his surplus stock whereever there is a market, in order to keep his mill working full time, and so reduce the cost of his working expenses. If this Commission can discover means, such as Canada has adopted, to stop spasmodic 'dumping,' it will do good, for 'dumping' is not ultimately in the interest of any country and only tends to upsent legitimate trade. The merchant who has bought at a fair price is suddenly confronted by the agent of the 'dumping' man, and while one or two men may profit by it, the majority suffer. Certainly the consuming public never benefit. If some workable means could be devised, whereby this state of things would be obviated then we as millers are prepared, even with the present low preference we have, a preference of one-half of what it was in 1898, we are prepared to go on working on the present tariff without asking for any exorbitant protection."

1261. *Dr. Viljoen.*] You represent the South African Milling Company in Port Elizabeth?—No, the whole of the S.A. Milling Company's businesses in South Africa. Their head office is here, we have branches in various places. Mr. Stephen is joint manager with me.

1262. I see in the tariff of 1906 there is a duty of 1s. 2d. per 100 lbs. on wheat?—That is correct.

1263. And there is a duty on flour and meal of 2s. 6d.?—Yes, but there is a rebate of 2d. on the wheat and 3d. on flour from British possessions.

1264. Do you consider the proportion between the wheat, the raw article, and flour is fair?—Well, I should say at the present time, with the improved machinery most of the mills have provided, and I would like you to note particularly that many of the mills have machinery second to none in England or America, millers are now in a better position to work on the small difference. There was a time when the equipment was bad, and at that time it would have been utterly impossible for some mills to work at a profit on the protection of 1s., which they have at the present time.

1265. Then your equipments can compare favourably with all countries?—Yes.

1266. On even terms?—Quite so, as regards machinery.

1267. And you have all the means here of converting the raw material, the wheat into the manufactured article?—That is quite right

1268. You are conversant with wheat farming and its conditions?—Yes.

1269. Are you conversant with wheat growing in the Western Province?—I have not come into personal contact with the farmers, but I know a good deal about farmers and their financial state, from our office in the Western Province. We buy largely there.

1270. Are you aware that they have to contend with one great difficulty there, and perhaps over the whole of Cape Colony and South Africa, the question of rust?—Yes.

1271. You know that that is a very serious embarrassment to the producer?—Undoubtedly.

1272. If it were not for the question of rust, would not the production largely increase?—I have no doubt about it. I know that particularly in this part of the country, and especially in the Albany district, much grain was grown at one time, but rust killed the industry.

1273. Have you as millers tried to introduce a rust resisting wheat into the Colony?—We have in Cape Town particularly, in fact we are always looking out for special types of wheat. Personally, some ten years ago, I imported some 50 tons of rust-resisting wheat, which was sown in different parts of the Eastern Province.

1274. What was the result?—It was disastrous in this way—farmers did not know sufficient about the time for sowing. It was called rust-resisting, and undoubtedly was rust-resisting if sown early so that the wheat matured before the damp foggy weather set in to nourish the fungus.

1275. Have you introduced other kinds within recent years?—We have not introduced any into Port Elizabeth, except that one lot, but our Cape Town Manager has.

1275A. We can get information then from Cape Town?—Yes, you can get all particulars there.

1276. Do you think if we were to introduce a rust-resisting wheat seed into the country that we should be able to produce sufficient for the requirements of the Cape Colony?—If you could do away with rust, there would undoubtedly be a large increase in the quantity produced, but the result of my reading is that all rust-resisting wheats are so only for a very limited period. If you could do away with rust, I have no doubt the Western Province could grow an enormous quantity of wheat, but besides rust the question of drought comes in.

1277. Considering the disabilities and the difficulties under which wheat is produced in this country, do you consider that the present tariff is a sufficient protection for the producer?—Well, the producer has protection in the Customs Tariff, and he has also a low railway rate, so he has double protection.

1278. But that would only apply to that quantity of stuff consumed away from the coast ports?—Yes.

1279. In the coast ports he has no other protection than that laid down in the tariff?—That is so.

1280. The greatest proportion of the wheat is consumed in the coastal places?—No, I should say the opposite.

1281. Why?—They get a higher price for their wheat because of the advantage of the low railway carriage, and therefore the buyer naturally sends his stuff as far as he can get at the low rate, in competition with the imported stuff,

1282. Then the buyer takes full advantage of the railway preference?—Yes.

1283. Is that ever abused?—Not to my knowledge.

1284. You know what I mean by the question?—I quite understand you, you mean that people send away imported stuff and call it Colonial.

1285. And in your opinion the protection laid down in the Tariff is a sufficient one for the producer?—That is a farmer's question, and I would not care to answer any question on which I had not special knowledge.

1286. Well, I will put it in another way. Would it materially affect the consumer if a little more protection were placed on wheat?—I do not think so. I can only repeat what I stated some time ago at a Conference held in this room. The question of duties was raised, and I said if the duties on wheat and flour were increased, it would not follow that the price would be increased at all. It would simply mean the shutting out of "dumpers" stuff, and my opinion was fully verified later on. Local competition will always keep prices down to a reasonable level.

1287. May a little stimulus in the way of a little additional protection not be an incentive to the farmer to extend his operations?—These are questions which I would rather not answer, because I have not the special knowledge in regard to them.

1288. I am not asking you now as a farmer, but as a business man. Assuming that such additional protection is put on, it will not make the cost to the trade dearer, but be an incentive to a larger production. Will not that be an economic sound policy?—I should think in any concern if more protection were given, the people receiving it would naturally increase their output. I think that stands to reason, but I have no special knowledge as to the farmers' habits and character, or how it would act upon him.

1289. There has been a considerable rise in wheat and meal?—Yes.

1290. And, of course, bread is very much dearer now?—Not so very much.

1291. Well, it is dearer?—Yes.

1292. When did we have a rise like this last?—Not during the last twenty years.

1293. If we had put an additional 25 per cent. duty on wheat it would not have mattered much to the consumer, as compared with the present price?—I don't think it would make much difference at all. For instance, the rise in wheat this year is 80 per cent., while the millers have only increased their price 35 per cent. and the bakers 25 per cent. These are facts you can get at easily by referring to current prices.

1294. And the rise of 25 per cent. on the present tariff would be infinitesimal, that you could not raise the price of bread in consequence?—It would only come in when there was a big rise in the price of wheat, but 25 per cent., which would mean 3d. per 100 lbs., is so small, the baker would not consider it in the price of a 2 lb. loaf.

1295. It won't affect the consumer?—No.

1296. Would you tell me if this preferential railway rate is beneficial, and are you prepared to support a continuation of it?—Well, as millers, it is immaterial to us whether this preference is continued or not. It is a question which affects the farmer.

1297. I see the duty on bran is the same as the duty on wheat?—Yes.

1298. Do you think that fair?—Well, it was very unfair formerly, when bran could come in practically at no duty at all. I mean when it was rated at 10 per cent. *ad valorem*, which worked out at ½d. per 100 lbs. The price of bran to-day is lower in Port Elizabeth than in Australia.

1299. *Dr. Viljoen.*] Bran is actually dearer in Australia than it is here, although wheat is cheaper in Australia?—Yes.

1300. Account for that?—Well, I suppose owing to the good seasons we have had, farmers have ben able to feed their stock without much bran. That is the condition to-day, and it has been so for some time past. It would not matter what duty you put on bran at the present time. Our price would remain the same.

1301. Yes, but would an increased duty on bran not be an incentive to the miller to mill more wheat here and import less flour?—The miller does not import flour, as a rule he only imports wheat. At the present time if the miller milled more wheat he would have more bran, and it would be cheaper still.

1302. Then it is due to the shortness of the consumption?—That is so.

1303. There is not a sufficient consumption of bran in the country?—There are occasions when it is the opposite, but when the farmer can turn out his cattle during the winter, owing to the grass being good, there is less demand for bran.

1304. Is it not a fact that bran has been imported largely?—Not recently, and not to any great extent at any time during the last 12 or 18 months. There was a time when considerable quantities were imported, but that was when there were fewer mills at work.

The Secretary.] The imports of bran in Cape Town for the first six months of this year were £31.

1305. *Dr. Viljoen.*] Are you in a position to grind barley? - I daresay we could; I cannot say exactly; I suppose some special appliances would be wanted, which, in turn, would depend upon what the ground barley was wanted for.

1306. Have you any appliances or machinery to make all the different corns that they have in the States--maize and samp, for instance?--Yes, we can produce samp, and when a miller can make samp he can make all the other products to be got from mealies. We have an up-to-date mill in Port Elizabeth specially for dealing with mealies.

1307. Then there is no reason why we should not produce all the different products of the maize?--Not the slightest, and of excellent quality, providing there were enough mills.

1308. And we would be perfectly justified in putting a duty on the imported article to keep it out?--As a miller, I would never refuse any protection offered, but coming here to-day I don't ask for any additional protection.

1309. You admit there is a production of mealies to-day far in excess of the requirements, and we are exporting?—Yes.

1310. We are producing more than we require in British South Africa?—Yes.

1311. And we have to export?—Yes.

1312. But at the same time we are importing the manufactured articles from maize?—Yes. But no matter what duty you put on, even though it be prohibitive, it would not increase the price here.

1313. I am pleased to hear there is so little imported. As regards oats, you have lately started making oatmeal here?—We have not.

1314. Not the South African Milling Co.?--No, we have no appliances for that.

1315. I know where it is made in Cape Colony, at Maraisburg?—So I have heard.

1316. Have you ever seen oatmeal made from Colonial oats?—No.

1317. Have you ever heard what the quality is?—I have not heard anything about it; I was merely aware that some had been made somewhere in the Cape Colony.

1318. Very well, I will get the information elsewhere. You don't touch such things as split peas?—No.

1319. *Mr. Kayser.*] With regard to bran, you said very distinctly that the protection you had was sufficient?—At the present moment it is so, and generally we, as millers, would not ask for any increase in the duty on bran. Formerly the duty was the same as on meal, and afterwards it was very much reduced, and now it is 1s. per 100 lbs. Bran is used in a large measure by people for feeding cows, and we would not like to see an excessive duty put on bran. I am speaking now outside the milling industry.

1320. You consider the duty on bran should be the same?--Yes, leave it as it is, the same as on wheat.

1321. As regards the Railway preference, you would not have any objection to this being done away with?- I give no opinion on that point. It is a farmers' question, and whether it is continued or done away with, we take no interest in it.

1322. Are you able in Port Elizabeth to procure much Colonial wheat?--Yes, last year we bought considerable quantities grown in the Long Kloof, and from Alexandria and Bedford.

1323. Farmers are taking more interest in growing it?—Yes, I am told in the Long Kloof the acreage under cultivation this year has doubled, but, unfortunately, owing to drought, they don't expect the quantity produced will be much more than half of last year's quantity, but they are all waking up, and the light railway is going to do wonders. I am sorry we have not Mr. More here to give evidence; he knows what he is doing, and keeps red tape locked up in his safe.

1324. As to insurances, did you say the money was spent in the country?--Well we pay it here. The money we have spent in insurance has all been paid in the country; what the agents have done with the money afterwards it is not our province to enquire.

1325. With regard to your remark as to flour being offered you a few pence over the cost of wheat, is that c.i.f. cost?—It is the cost laid down in Port Elizabeth. The cost of the two c.i.f. would be practically a few pence, in some cases, above wheat c.i.f.

1326. But then there would still be the difference of duty to be paid?—Yes, but it shows the "dumping" going on.

1327. Your statement to the Commission, that the flour has been quoted at 4d.

over the wheat, was a c.i.f. quotation?—I am not quite sure on that point, therefore I would rather let that go until I have referred to statistics.

1328. Can you tell us if this flour is sent here on consignment?—That I cannot say, but it makes no difference whether on consignment or not.

1329. I would like to be quite clear on the question of the few pence, whether it is c.i.f. or duty paid?—

1330. *Mr. Pyott.*] You were speaking of c.i.f.?—I am not quite clear.

1331. *Mr. Tod.*] At any rate it will apply to both wheat and flour?—Yes.

1332. *Mr. Kayser.*] It is an important point, and I should like it cleared up.

1333. *The Chairman.*] In some cases, would it not be flour shipped as special cargo to fill up freight?—No, it occurred too often. It was because of the Australian miller finding his work slack, and being desirous of keeping his mill going full time.

1334. *Mr. Pyott.*] The Australian miller gets a good market for his offal?—Yes.

1335. *Mr. Kayser.*] And the miller is in the very best position for commanding the best quotations for freight.

1336. *Mr. Scott.*] You have not made it quite clear to me how you can get over this grievance?—I do not know how it is to be overcome, unless as in Canada. With regard to the "dumping" grievance, it is a very thorny question, and I must admit frankly I am not able to make a suggestion which would be a practical one.

1337. *The Chairman.*] We discussed the question at the last Conference, and it was agreed to appoint a Commission to go into the matter, but I have not heard if anything has been done.

1338. *Mr. Kayser.*] Perhaps Mr. Pringle will be able to enlighten us if flour comes here on consignment?—I have no means of knowing what flour comes on consignment or on order. If a consignment of goods were charged a higher duty, of course the "dumping" would be considerably checked, but in that case consignors would cease calling their goods consignments, and documents would be made out to get over that.

1339. *Mr. Scott.*] If milling is encouraged in the country, do you expect to export flour largely?—Not until we grow more wheat.

1340. Can you suggest anything that would keep rust out?—We have tried, and the Australian Colonies are spending large sums of money in the way of experiment, and we cannot do better than get all the information we can as to the results of their investigations. They have issued some admirable reports with regard to rust.

1341. Are your mills kept constantly running now?—Yes, but not quite full time here.

1342. *Mr. Tod.*] You are quite satisfied with the protection you have?—Yes, the only trouble we have is "dumping."

1343. If a miller in a foreign producing country is exporting his flour at the same price as his wheat, he loses money?—No, he gets a higher price at the other end, and by keeping his mill working full time, thereby reduces his working expenses.

1344. You do not think this "dumping" is an exceptional case?—No.

1345. You think it will continue?—Yes, when the conditions are favourable, but there is not much of it at the present time.

1346. But surely it would be in his interest to keep his mill idle?—No, he would have to disperse his staff, in that case. If he can work 24 hours instead of 12, and sell his surplus flour here at a slight loss, he is compensated by the reduced cost of production, and a better price in his own country.

1347. Can you suggest no way to prevent this?—No.

1348. As to the deferential railway rate, I suppose you would welcome it being done away with if the farmer was given the benefit of the duty?—Yes, if the protection were given through the Customs, it would be very much better.

1349. It would simplify railway matters and do away with fraud?—Yes.

1350. The South African Milling Company do not import much flour?—No, the Company does not import flour.

1351. Can you give the Commission the proportion of wheat as against flour imported?—According to my investigations there were 40 million pounds weight of flour and meal imported into the Colony last year, and of wheat 315,000,000 lbs.

The Secretary.] For the first six months of this year the wheat imported was to the value of £575,000, and of flour £111,000.

1352. *Mr. Tod.*] So practically we are milling in this country to-day about seven times as much flour as we import, and if this "dumping" were stopped, practically all the flour would be milled here?—Yes, we have sufficient milling power for the requirements for the whole of South Africa. At present there are more mills than there is need for.

1353. You referred to milling in England, now is there much done there?—Yes, it is one of the very first industries in England.

1354. And the miller there has no protection?—No.

1355. Do they import wheat or flour?—Most of the millers import wheat, and some of them flour also.

1356. So, apart from any protecting duty, it is evidently an advantage to import wheat rather than flour?—Mills are erected for the purpose of grinding, and the English miller reckons he can successfully compete with the American miller.

1357. Is there any advantage with regard to quality? I mean does wheat carry better on board ship than flour would?—I don't think there is anything in that.

1358. *Mr. Harlow.*] Did I understand you to say that practically four-fifths of the wheat beng used is grown in this Colony?—No, I made no reference to that.

1359. What is the proportion?—That I cannot say; you may get that information at Cape Town. Our company bought about 8,000 tons of Colonial wheat last year, but our Cape Town people could give you definite information. These figures are from memory only.

1360. Do you keep your large stock of wheat in hand or in bond?—We keep all our imported wheat in bond, taking out from day to day what we require.

1361. Have you received any wheat here for grinding since the price was raised oversea?—Yes, we receive wheat every month.

1362. Have you ground any of the wheat on which the advanced price has been paid?—The advance has been going on for nearly 12 months, but our prices were not raised until about four months ago; we have been buying from month to month, so we have been milling the higher priced wheat. I think there will be time enough to consider the advisability of giving the public all the benefit of good buying when it is found that they rush forward to make up the losses when millers' purchases turned out badly.

1363. What is the approximate stock you have in hand?—I would rather not answer that question.

1364. As to the rates of wages earned by the coloured men?—They are from 6s. to 2s. 6d., according to the work they do—that is, black people. We have coloured people who are paid a much higher wege; we look upon them as experts

coloured people are paid a much higher wage; we look upon them as experts

1365. *The Chairman.*] Would you think it advisable to have different rates of duties in the different Colonies?—I think it would be desirable to have one rate.

1366. Then there is this question which came up at the last Conference, would you think it advisable to give the right to any Colony to suspend duties—I mean the right to suspend duties in respect to its own consumption?—I don't think that would affect Port Elizabeth millers to any extent.

1367. Then as to the question of meal and flour made from Colonial wheat and sent to the other Colonies, how would you suggest a remedy if other Colonies took off the duties?—As a matter of fact, as far as Colonial meal and flour are concerned, and speaking for Port Elizabeth millers, the quantity sent out of the Colony has not been great, it has mainly been sent to Kimberley and the North.

1388. *Mr. Pyott.*] Yes, but there is the meal, sugar, and coal which we receive from other Colonies. The point is this. Take sugar, which affects this Colony seriously, and also the Transvaal. As far as I understand, sugar is sent from Natal to the Transvaal and Cape Colony on account of the cheap railway rates; it is not sent to the ports. Natal is importing all her sugar which she uses from Mauritius and other places. Natal receives the duty on that sugar, but the different States which take Natal sugar get no duty.

1369. *Mr. Kayser.*] Mr. Pringle very clearly stated that, as a miller, the preferential rate did not affect him.

1370. *Witness.*] Supposing under the new Convention the O.R.C. or the Transvaal had power to suspend the duty on flour and meal, our farmer would have no protection, except in the Colony, and he would be unable to send his grain into a country where there was no duty; that would mean a reduction on the value of his stuff, because he would be competing against duty free importations.

1371. *Dr. Viljoen.*] The farmer would be penalised.

1372. *The Chairman.*] The other point is, supposing the duty on wheat were raised 25 per cent., what proportion of increase on flour and meal would be required?—The same percentage of increase.

1373. *The Secretary.*] If you put wheat up 25 per cent., then you would want the margin as between wheat and flour raised to the same proportion?—Yes.

1374. *Dr. Viljoen.*] Assuming the Conference were to raise the price of wheat by 25 per cent (the present duty is 1s., against 3s. 3d.), would you expect a proportonate increase on your flour?—We should want the same percentage of increase.

1375. Supposing we put 25 per cent. on wheat, then you will want 25 per cent. on flour?—Yes, to keep the proportion the same.

1376. *Mr. Pyott.*] You said the advance in wheat from the bottom of the market to the present price is 80 per cent.—your advance in flour and meal is 35 per cent.?—Yes.

1377. And the bakers have advanced something like 25 per cent.?—Yes.

1378. Have the millers taken full advantage of the present rise in markets?—I answer that question by telling you that the advance in the price of wheat has been steadily going on since last January, but we did not alter our prices until June. We were then forced to do it, and our prices have been going up since in consequence of the continual and large increases in the cost of wheat.

1379. The millers to-day are not taking full advantage of the wheat market?—No.

1380. With regard to the rust-resisting wheat, don't you think it has a very low milling percentage of flour?—I cannot speak from my own knowledge on that point. There has been very little rust-resisting wheat produced. I don't see why an early wheat should give milling results inferior to a late wheat.

1381. The millers in buying Cape wheat have to pay 1s. 6d. to 2s. per sack over imported?—The question of competition always comes in, and they buy it on the basis of having a certain run, say, up to Kimberley, as against the imported article. I have no figures before me to show what is the price paid for Colonial wheat.

1382. They buy on the basis of the Northern markets?—Yes.

1383. *Dr. Viljoen.*] So that the preference on the railway benefits the producer and not the miller?—It benefits the farmer, but does not affect the miller.

Printing.

Norman Harris, Business Manager of E. H. Walton and Co., Printers, attended. He handed in the following statement:—

"At a meeting of the Port Elizabeth Printers, held on the 24th October last, it was decided that evidence should be given before your Commission if required. The following opinions were expressed :—

"That the present tariff had not greatly assisted the local industry. That it was impossible to compete against competitive European prices. That the additional business secured was owing to the fact of an inclination on the buyers' part to waive little differences in cost and give the industry a chance. That such an inclination was by no means general. That in a large number of instances local purchasers of printing placed the industry in competition with labour and in the cheapest part of the British Isles (journeymen's wages vary from 24s. to 39s. per week, against 60s. to 72s. 6d. in this Colony) where labour was largely supplemented by female work. The fact was further emphasised that there was practically no protection in the matter of freight, unmanufactured and manufactured paper paying the same in most cases.

"It was recognised, however, that the present measure of protection should have, under more favourable trade conditions, probably produced a better result. No offices have been actually closed, but it was admitted that many were being worked at the present time without profit. Several cases were pointed out where firms who were trade printers in England, that is to say, who presumably worked only for the trade, booked orders for printed stationery at trade prices from mercantile houses in the Colony; in short, wages in England represent only two-fifths of the wages paid here, freights being the same, power was one-third the price, rents one-half. It is obvious that work submitted to keen competition at Home must be landed 22 per cent. duty paid in this Colony at a lower price than the productions with local labour. A majority report of the meeting asked that the duties be increased to 50 per cent. That the duties under Clause 2, Item 43, A and B, be made 50 per cent., which was the ruling duty in Newfoundland, and in the case of duty by weight 6d. per lb. to be levied; Australian being 3d. per lb. and Canada 7d. and a fraction. Specially relative to the rated advertising matter and the unfair competition of over-sea manufacturing houses. These firms regularly exploited the system of advertising by supplying free, or at less than cost, billheads, letter paper, and envelopes bearing bold coloured advertisements of their speciality. It was stated that in the case of invoices of this nature the Customs, instead of enforcing the 2d. per lb., allowed many thousands of these account forms in at 22 per cent. The printers would respectively emphasise that this practice is largely carried on. That it is not fair trading, and instances of its prevalence may be seen in nearly every grocery store, and country general stores and hotels, where menus bearing advertisements of imported liquor are distributed free. The printers request that for this particular and unfair form of competition an alternative duty of 6d. per lb. be imposed on such matter.

"It was specially pointed out that the present arrangements for dealing with catalogues sent through the post was inefficient. That it was still quite possible for foreign trading houses having agencies in this country to circularise direct through the post and thus evade the duties; and it was agreed that the Canadian Tariff Clause B, on page 166 of Colonial Import Duties, 1905, would meet the case.

"In view of the great difficulty experienced by the Customs authorities in defining what was and what was not printing material, it was unanimously decided to request an alteration in Clauses No. 65, Class 4, No. 98, Class A, No. 106 and No. 107, to the following :—'All machinery, tools, material of whatever it may be that the printer requires, whether for the manufacture of his product or the operation of his business, or any material or article pertaining to the allied trades of printers and bookbinders which is incomplete until it has the application of local mechanical labour and should be imported free.'"

1384. *The Chairman.*] You are appointed by the printers to give evidence?—Yes.

1385. You say the last tariff has not improved matters?—Yes, that was the opinion generally expressed at the meeting.

1386. Don't you think more printing is being done to-day in the Colony than two years ago?—Yes, I think there has been an improvement, but the affect has been nullified by the bad times. We are getting more of the stationery printing, such as billheads and letter heads, but casual printing, such as price lists, has fallen off.

1387. But don't you think, as trade improves, work will improve for printers?—Yes, certainly.

1388. Do you think that if you get the protection duty you ask for that you will be able to compete with the English printers?—Undoubtedly in a great number of lines.

1389. We have other colonies to consider in entering into a Customs Convention. Don't you think some other parts will want protection against the Cape Colony printers? For instance, the Transvaal printers want protection against the coast ports?—Yes, I foresee that difficulty.

1390. It is one of the difficulties you have got to consider. They argue that everything goes to the coast and they cannot compete?—Yes, it is a difficult question.

1391. In reference to catalogues, I suppose you know what trouble occurred over the tariff made by the last Convention?—Yes.

1392. How would you remedy that?—Well, we have suggested to the Customs House the carrying out of the Canadian plan. The chief objection was not against the whole sale catalogues which come into the country, but it is to the catalogues which are sent out by what are known as mail order houses. While the draper, for instance, in this country has to pay duty, the mail order house, which enters into competition with him through the post, escapes duty on his catalogue.

1393. An attempt was made to guard against that, but we could not carry it out?—Well, I do not know what attempt was made. The single catalogues were charged 6d. each, which caused a very great outcry.

The Secretary: The Attorney-General held that the Customs could not apply a sixpenny revenue tax if they came by letter post.

Witness: But they are not sent by letter post, but by book post.

The Secretary: It was held by letter or book post; the Act said by parcel post.

[Witness then handed in the tariff charged by the Canadian Government for dealing with the matter.]

1394. *The Chairman.*] Do you think that would provide the necessary protection?—Yes. It could soon be found out who are sending catalogues through the country. The printers do not object to the wholesale houses getting catalogues of goods which have to be bought on the other side; to do so would be unreasonable. The difficulty which the printers have to face here is that the local merchant gets a catalogue printed in England; that catalogue, they contend, should pay duty, as it does. But the retail houses oversea who flood the country with catalogues through the post do not pay anything whatever.

1395. *Dr. Viljoen.*] Do I understand that the man who resides here and has his catalogue printed on the other side has to pay duty, but the man on the other side who sends his catalogue through the post escapes payment of duty?—Yes.

The Secretary: If it weighs 8 ozs. or more.

Witness: You can send an enormous catalogue of 200 to 300 pages under 8 ozs. The printers here wish, if possible, to have the law made the same as in Canada. That is, it permits any wholesale firm, in any foreign country, to send a catalogue, not less than three copies, to any other wholesale house; but if a retail firm wanted to book orders for catalogues through the post they would have to pay 7.04 duty; in Australia it is 3d., and in Newfoundland 50 per cent.

1396. *The Chairman.*] You think the Canadian law will meet the difficulty here?—Yes.

1397. And the other point is that you want a certain class of ruled paper in duty free. Won't that be extremely difficult?—I believe my meeting was in favour of it; but I pointed out to them, and they gave me authority to state my opinion, that the printers of the country should endeavour to do all the work they could, and that as ruling machines were an extremely expensive article we should endeavour to get our paper in as much as possible as it leaves the mill.

1398. Then on Clause 65 of the Tariff, you want bookbinders' requisites, butter paper, etc., to come in free?—Butter paper is a new article of commercial use: it is used enormously by farmers, it is a parchment paper in which they wrap their butter for market. To-day duty has to be paid on it because it is not specially mentioned.

1399. *Mr. Pyott.*] Do you print it?—Yes; there is an enormous business done in it.

1400. *The Chairman.*] And you want that included in the free list?—The position became so difficult for the Customs that we suggested this clause, namely, that the things the printer wants to use in his trade be admitted free.

1401. Then you want the tariff so framed that the Customs can define it?—Yes.

1402. But if you admit these things in free, it is possible that other people will want to take advantage of it?—Yes, that is true. But there are a few items which the Customs have taken into exception to, such as varnish, which is used for putting the sheen on letter paper in order to give it a shiny surface. It is an expensive article, and we have to pay duty. It is a minor matter compared with the paper.

1403. Then as to Class No. 98, it says machines, but not including materials, mechanics' tools, etc. What is it you refer to?—In our embossing work we have to get out reels of paper, which are part and parcel of the working part of the machine, but they made us pay duty on the paper because it did not happen to be 16 inches wide.

1404. The difficulty is that all mechanics will want their tools in free?—It is only fair that these be regarded as part and parcel of the machine. We cannot work our machines without them. So far as we are concerned these reels of paper could not be concerned in any other purpose than embossing.

1405. The point I am raising is the difficulty experienced by the Customs in guarding against fraud?—We are perfectly willing to tell the Customs what we use them for.

The difficulty is that other people may use them for other things.

1406. *Mr. Tod.*] What protection do you want?—I am asked to ask for 50 per cent. on all printing, including catalogues, and that a certain class of rated goods should be made 6d.

1407. How would you get at the value of a catalogue?—The value of a catalogue greatly depends on its nature. If you get one well printed on high-class paper, 25 per cent. would be reasonable.

1408. Printers in this country can buy their paper at practically the same price as English printers can?—Yes.

1409. And you want 50 per cent., which would make it cost half as much again?—We get no advantage of freight. Wages in England vary from 24s. in the lowest paid districts to 39s., and in this country it varies from 60s. to 72s. 6d. Then rent, power, and all other expenses are more. Therefore with only 22 per cent protection it makes it obviously impossible, if work is put out to keen competition on the other side, for us to compete. It is true that a good many of the local merchants, who had been in the habit of getting their work from Home, have not exploited the lowest prices in England, and if they sought to get the lowest price it must be obvious that 22 per cent. will not enable us to compete.

1410. Well, you are doing a considerable business to-day in the Cape Colony?—Well, we are doing a certain amount of business. There are eight printers in Port Elizabeth, and I think I can truthfully state that a good many of them are finding it hard to make ends meet.

1411. Can you give us an idea of the amount of work done in the Colony, compared with that imported?—I am afraid I have not got those figures.

The Secretary: They cannot be got.

1412. *Mr. Tod.*] But you have some idea if there is as much imported as is done locally?—It is difficult to say, because there is so much printing entering the country that we do not know much about. There is the printing which comes out with goods.

1413. Do you think that you get half of the work now?—Yes, I should think we got half of the work which is actually required by the resident firms in town. I can only speak for Port Elizabeth. As to the banks, a lot of their work is quite out of the hands of the local printer. Speaking for my meeting I am only able to state that 50 per cent. was the opinion of the majority.

1414. What class of labour is employed in the country?—I suppose the best class you have in the country. We employ in our office 20 white men, 24 young women and boys, and 4 natives.

1415. The young women and boys are also white?—Yes; we have one man on the premises slightly coloured.

1416. In regard to catalogues you recommend we follow the example of Canada?—Yes, my recommendation, if that within reason you endeavour to keep that class of work out of the country, unless a heavy duty is paid. I made a special feature in my report of this class of thing, imported billheads. (*Witness produced a sample of a blank billhead issued by a firm of English manufacturers.*) This is a great hardship to the South African printer. It has been a common practice amongst big Home manufacturers, such as I quoted, to supply small shopkeepers, storekeepers and grocers with this class of stationery, that they may be able to advertise their goods. We consider it unfair competition that such stationery should be scattered throughout the country. You cannot go into the small shop without being confronted with this stationery, advertising somebody's milk, mustard, etc. That is the reason I make the suggestion of 6d. per lb.

1417. Do they give them away?—Yes, but if the gentleman found it was going to cost him 2s. duty per thousand he would think twice.

1418. *Mr. Harlow.*] You said just now that you could not deal with the bank work here?—No, it is placed by contract from the head office.

1419. But would it not be possible for the contracts to be placed locally?—Yes, it could be, but the work is dealt with in Cape Town, where the printers get a lot of bank work. Usually the head office places the order, because it is the chief distributing centre for stationery; so it is better for the banks to deal where they have their head office. ,

1420. Have you any machinery for lithographic work?—Oh, yes.

1421. Can you turn out any design?—Yes; as far as I am concerned. I employ an artist. I have only had the plant for nine months; but all the other work is done here, the originating of the design, the transferring and the printing.

1422. Have you reached much benefit from the present tariff?—The benefit has been that it has given us some heart to go ahead. We have suffered from the bad times, which has put a stop to anything like successful trading. Owing to the duty new business has been put before the printers which they never had before. Things have been bad, and this business has naturally been offered to all the printers, and consequently competition has been keen, and those who have got it have not made much out of it. But I do think the tariff has prevented at least three or four offices in this town being closed down. But generally, work has come into the town which we have never seen here before.

1423. Did your mechanics assist you in getting that tariff?—Yes, very much; I think the working printers had as much to do with the getting of that tariff as anybody.

1424. Can you explain why it is that in the Transvaal and also in the Cape Colony there is a tendency to reduce the wage?—Yes, we find that the competition, as it exists to-day, is very, very great, and if a lower wage is being paid at Cape Town than in Port Elizabeth, and if the master man here finds that he cannot get work at a price, and that still work is going to England, he looks around him for some remedy to counteract that state of things; he reasons with himself, "If I can get the wages down to what they are in Australia, I might then be able to compete."

1425. That is a peculiar way of showing your appreciation of their services for the trade in the past?—Yes, but that is a matter as between masters and men and trade competition, and is not a matter of tariffs.

1426. What I want to know is this: You have 25 per cent. duty now, you are asking for another 25 per cent., and there is an attempt to reduce the men's wages by 15 per cent.; where is the difference going to?—Well, at the present moment I would say that in that particular locality in which that has been done it was going into the masters' pockets to save them from bankruptcy.

1427. In reference to paper coming in free, we have to consider that the country wants revenue?—Yes.

1428. Is it any particular drawback to have this 3 per cent. duty?—It is just that drawback which is a little bigger load on the master's back, that he has to fight against.

1429. *Mr. Pyott.*] Did you find an increase of local orders come to you after the last Convention?—I found an increase of local inquiry, and a good deal of sympathy.

1430. So it has done some good?—Yes, I think so, personally.

1431. Do you think that under this tariff you are missing much of the business you ought to receive to-day?—Yes, I do; but I confess, if it were known to our customers that they could get their work done in England cheaper than they had been paying, it would be no protection. It is an open boast of a certain English house, that they laugh at the Customs tariff.

1432. Are you aware that to-day invoices, billheads, etc., are being printed at a much cheaper rate than we can land them in the Colony?—I am aware that prices have been dropping, and that some of the prices quoted in Port Elizabeth during the past six months won't bear scrutiny, either at the hands of the master who gave them or the general public who have a knowledge of the cost of production. They spell final bankruptcy to the man who continues to quote them.

1433. You mean they are doing them under cost?—Yes.

1434. Is there much lithographic work done in the town? In Cape Town there is a very great deal. I can point to one instance which came under my notice in which for the highest lithographic work they quoted within 8 per cent. of English price?—Well, it might have been to get the business. But it is not your general experience.

1435. No, we have only had it in one instance?—And there were other instances in which the people who tendered were quite out of it.

1436. You wish an extension of the free list. Do you think it is judicious to extend that list and at the same time ask for an additional 50 per cent.?—It is not really an extension of the free list; it is merely adjusting a few items which were unreasonable. It was absurd to let paper in free in one instance and charge a duty in another.

1437. If you put 50 per cent. duty on printed matter something else will have to be lessened in duty, will it not?—According to my meeting, the opinion was that they could not do with less, and I was told to convey that view.

1438. Why do you come forward for 50 per cent.?—I am acting on the majority report.

1439. *Dr. Viljoen.*] Your present protection is 22 per cent.?—Yes.

1440. That is considerably larger than it was on the previous Convention?—Yes.

1441. Did you derive any benefit from the present tariff?—Yes.

1442. You are working at a profit?—Yes.

1443. Has the cost of production of the printed article generally increased?—It is about the same.

1443a. Labour, rent, and taxes?—Wages are exactly the same.

1444. The position is about stationary?—Yes.

1445. Well, what do you propose to do with the 25 per cent. you are asking for?—My meeting stated that printers were handicapped in developing their businesses. There is a certain class of work that we cannot get at the present time on the present basis.

1446. I am asking you personally the question?—Well, I say for myself I am running at a profit, but it is not the report I had before the meeting and on which I have based my report, which was that they were not running their businesses at a profit.

1447. What do you propose to do with the 25 per cent. you are asking for?—Well, I intend to develop my business on lines which I have not been able to travel along before.

1448. In other words, you propose to improve your financial position at the expense of the general consumer?—There are goods coming into the country at the present moment which I am unable to manufacture owing to my having to compete with established businesses on the other side. I propose, for instance, to try and print chemist's labels.

1449. Are you proposing to increase your business from a philanthropic point of view or for the benefit of your own pocket?—Firstly, for the benefit of myself.

1450. Are you aware that you enjoy certain benefits over the railways?—I am aware of it, but it benefits the printer to a small extent only.

1451. Assuming that we enter into a new Convention next year, would you like to see it fixed for a definite period of years?—Oh, yes.

1452. What period of years would you suggest as a minimum?—I think five years would be a reasonable time.

1453. And do you think at the expiration of that five years and a new tariff is entered into that you will be sufficiently established to maintain your own if the tariff is then withdrawn?—That is difficult to answer.

1454. Or reduced?—I have no doubt that by that time there would be a certain class of work in which the printers would then have so entrenched themselves that they would be able to retain it.

1455. *Mr. Kayser.*] Are you using any articles of Colonial growth in your business?—None whatever.

1456. You import everything?—Yes.

1457. Do you import solely for printing?—Almost solely. We import a few lines of stationery for sale. These are in connection with our business.

1458. Do you sell gold or silver leaf in your business?—None.

1459. My reason for asking is this: Complaint has been made to me that 3 per cent. is charged printers when they import gold and silver leaf, or imitation leather, presumably for use in printers' requirements. That means these things are duty free when they come from England; but that other importers of these articles are called upon to pay 15 per cent., and my informant tells me that he has lost all the business that he formerly did in gold and silver leaf, which is now being bought from the printers?—I should be inclined to deny that. My importations of gold leaf consist of about a thousand leaves a year, fifty shillings worth. It is solely used for embellishing the titles of books and pamphlets, and I am certainly sure that none has been sold by us except to oblige a brother printer.

1460. Not a painter?—Of that I am certain; none.

1461. And as to the statement about leather?—No, it is only a small trade; we get a certain amount of cloth only for use in the trade. The statement so far as Port Elizabeth is concerned requires very substantial corroboration.

1462. Then there is another item of a similar character; cardboard for bookbinders. That pays 3 per cent. duty, whereas picture dealers have to pay 15 per cent. Do you know if that is a fact?—The duty is correct, I believe; but I do not think there is any sold, except perhaps to a merchant occasionally.

1463. Your idea is that butter paper should be imported free by everybody?—Yes.

1464. Then the shopkeeper says: "I have to pay duty on my paper, but the chemist gets it in free of duty."—There is a remedy for that; the chemist imports his paper folded, but the printer gets it in in the mill ream, unfolded.

1465. At all events there is no doubt that some arrangement should be made whereby the printer and merchant should be able to import paper at the same rate?—That is a matter for the framers of the tariff.

1466. Regarding labels; is it not a fact that most of the labels for jam factories are imported from abroad?—Yes. You see, then, an industry which has been languishing for years—the lithographic printing industry—has been called into existence, and that industry is asked for a class of article which places the Colonial lithographic printers in competition with the most perfectly organised firms of lithographers oversea, the acme of the printing art, and we are suddenly expected to compete. That class of work takes years to get to a point of perfection.

1467. You want to get a little more proficient than you are to-day?—Yes. The fact is we cannot compete with oversea houses, although we have made gallant attempts to do so.

1468. You have lost business through not being able to turn out the work so well?—Yes.

1469. And that is a question of a little more experience?—Yes. I think some of it is want of a little more experience; but it is well to bear in mind that in Europe there are many firms who make a speciality of a certain line. Where one man makes a speciality of letterpress printing he does not look at labels; but in a small office in South Africa you are expected to do everything. You may be able to do the work at a price, but you are confronted with the remark: "Oh, I can get it done in England for so much."

1470. *Mr. Pyott.*] Has quantity anything to do with the question?—Yes, it helps very much.

1471. Will this 25 per cent. you are asking for make any difference to the man who has got a jam factory?—Well, I believe it would. Still it would enable the local printers to get over the first stile.

1472. I mean will it make any difference to the proprietor of a jam factory?—Yes, he wil have to pay more if he gets the labels from oversea.

1473. Do you yourself really think it would require 50 per cent. in order to get the trade? I mean give us your opinion; never mind your meeting?—No; but I am more inclined to split the difference myself, so as not to create a feeling of strong opposition. I think we are going to get the work through sympathy with our industry, and I think it will take us a good five years to develop our business. We could do that on 35 per cent.

1474. Or such business as you could cultivate under the present duty?—The present duty cuts us out of the simplest of work. Take, for instance, a very large thing used in Port Elizabeth—railway delivery books. The price has been cut until all profit has disappeared. They are being done cheaper than before the tariff was put up.

1475. The cheapness is due to the free competition, and therefore it is not necessary for more protection?—As far as some are concerned they have been very good to us, but I cannot speak in the same terms of others from whom we might reasonably look for business. Then the price at which the work is being done at to-day is not a fair one, as will be obvious to you. The prices are 50 to 60 per cent. lower, and there are still men in the town anxious to take work from any firm at that cut price. The times have got constantly worse, but the wages have not dropped. There is something more in it than mere competition. It is a back-to-the-wall position with a lot of us.

1476. My impression from your evidence is that you are fairly satisfied with the present tariff?—No, sir, I am not. There are several items in the tariff in which I have strong views, especially these free invoices, billheads, and other advertising matter, made up in the form of stationery, and which is damaging our trade.

1477. *Mr. Kayser.*] If these articles were charged a duty of 6d. per lb. would that be of any service?—Yes.

1478. Then why not ask that this style of article be specially provided against?—I am not in a position to state anything more than my own views of that point. But why not adopt the Australian tariff to meet this class of goods. It is all very well to charge 25 per cent. on catalogues, but the importers will soon tumble to it and have a commoner catalogue printed.

1479. *Mr. Scott.*] Highly artistic catalogues with highly coloured matter, can you produce them in the Colony?—No. You allude to such illustrated catalogues as of tesselated pavement, carpet pattern, etc.

1480. Yes?—No, this is a peculiarly specialised work at Home.

1481. I support the local printers myself, and we get all our catalogues done at Cape Town, where you can get a very good catalogue turned out; but if you put 50 per cent. on to a catalogue which probably costs some thousands of pounds to get out, you are penalising certain trades, particularly the printing trade. Cannot you make a suggestion to exempt a catalogue of that description?—I think if a duty were put on such catalogues it might be purely nominal. I do not think it would create a hardship, they get them very cheap at Home cost.

1482. Would this proposed 6d. keep out the catalogue from the other side?—I firmly believe it would.

1483. They could be sent out here in bulk. I mean admitted on payment of 6d. per lb.?—Yes.

1484. As regards ink, I suppose there is no likelihood of it being produced in the Colony?—I don't know, myself; but there might be a chance. I don't see why it should not be; it is made in Australia, I believe.

1485. It is also made in New Zealand. Supposing we are told it could be made in the Colony. Would you be willing to pay a duty on it?—Yes; but it would have to be a graduated one, because a firm would not make all classes of ink used.

1486. With regard to the duration of the tariff. Would it take five years in which to build up an industry? I mean an industry where you have to get machinery out to do coloured work, etc.?—Fifty years is not enough to establish some industry. They continue to grow and develop.

1487. Then five years would not be sufficient?—No.

1488.But it would not enable a person to start a factory here; it is not sufficient time?—No.

1489. *Dr. Viljoen.*] Did I understand you to say that in consequence of the last tariff locally you had had cut-throat competition?—Yes, very severe.

1490. In consequence of the tariff?—No, I never said that.

1491. A *post hoc* affair?—Yes.

1492. Will the natural consequence not be, if your suggestion were adopted to put another 25 per cent. duty on, that this local cut-throat competition would be accentuated?—It all depends upon whether bad times prevail. The fact is there are too many printers in town for the work offering.

1493. But if you increase the tariff will it not increase the cut-throat competition still more by bringing new firms into the field?—Yes, we have to face that, but then there would be more mouths to feed. All will wish to be on top, and if the work is here, if the individual suffers the trade will benefit.

1494. *Mr. Tod.*] You want to block out all competition from oversea?—Yes.

1495. Can you, for instance, give the Commission any tariff, in any part of the world, anything like what you suggest?—Yes, the tariffs of Canada and Newfoundland are respectively 50 per cent. and 35 per cent., besides specially rated articles, and provisions for dealing with difficult points. The artizan is better off in New Zealand than in Cape Colony; they have cheaper living, and their rate of wages is only a little bit lower.

1496. *Mr. Harlow.*] You admit if you get this additional protection it will raise the cost of labels, etc.?—It undoubtedly will raise the cost to the importer if he has to pay the duty, and continues to import.

1497. And therefore it will eventually fall back on the consumer?—No. The importer will have to pay a little more at first for his labels, but when the Colonial printer gets firmly established in that line, competition will bring down the price again.

Railway Rates.

John Rhys More, Superintendent of the Avontuur Railway, attended to give evidence on Railway Rates.

1498. *Mr. Tod.*] I should like to know, Mr. More, if the preferential railway rates are in operation on the line under your charge?—No.

1499. You do not carry imported produce over your line?—Not much, only the ordinary things, tea, coffee, sugar, etc., used in rural districts.

1500. Have you formed any opinion with regard to these preferential railway rates at all?—No, I have not.

1501. Have you any suggestion to make to the Commission with regard to the rates over your line, with reference to export?—I think the present rate for Colonial produce should remain, as they are very low. What we suffer from is ox-wagon competition; our rates are too high.

1502. Do you carry over your line at the same figure as over the main lines?—Yes.

Dr. Viljoen: Of course, this light railway was constructed mainly for the object of promoting the agricultural industry of the country, and we are here to promote the agricultural industry as far as the Customs are concerned.

The Chairman: It is rather beyond the scope of our inquiry.

1503. *Mr. Tod.*] Can you suggest any rate on your particular railway which would more fully develop the agricultural industry served by that railway?—No, I do not think I can.

1504. Not even bearing in mind that the people who are now competing with you by ox wagon will be able to use their animals and wagons on the land in improving their output to be carried over your line?—In that case undoubtedly.

1505. That is what I would like to get from you. Do you think if you quoted a low uniform rate on the Avontuur line it would knock the ox wagon competition out? I am strongly of opinion that on a branch line, like this one, we should have for imported goods an all-round rate in order to compete with the ox wagon traffic and drive it off the road.

1506. But it is not the ox wagon which competes with you for the imported goods?—Yes, by taking them out at a lower uniform rate.

1507. Have you ever recommended anything of that nature to the Railway Department?—Yes, all-round rates for everything practically, except Colonial produce on the mileage basis.

1508. Do you think if such a rate were adopted that you could kill the ox wagon traffic?—Yes.

1509. And the oxen and wagons would be available for developing the land?—Yes. The people in the Longkloof are in favour of a higher rate for imported wheat, because they consider there is not sufficient duty on it. They are very strongly in favour of the protection of Colonial industries.

Mr. Tod.] We have no witnesses from the Longkloof, but while Dr. Viljoen and myself were out there we found that Mr. More was very closely in touch with the people of the district.

Mr. More.] The opinion expressed by several influential people in the Longkloof to me was in favour of a duty on imported wheat; they seemed to think that £1 per bag was a profitable price; they did not get this last year, they got 18s.

1510. *The Chairman.*] They are getting more now?—Yes.

1511. *Mr. Kayser.*] Are they aware what the duty on wheat is?—I do not know if they are aware or not.

1512. And still they want higher?—Yes.

1513. *Dr. Viljoen.*] I will put it this way; do you think by giving these people better facilities, better inducements, in either form, either an increased duty on wheat or the lowering of the railway rates, that they would produce more than they are at present?—I do not see how you can reduce the railway rates on Colonial wheat; but if they could get better prices they could considerably increase their output.

1514. You think they would be able to grow more?—Yes.

1515. You think the present rates for agricultural stuff are low enough?—Too low.

1516. To pay?—Yes; looking at it from a purely railway point of view. Still, I do not hold the view that that is not a desirable thing to do.

1517. But from a purely revenual point of view it is too low?—Yes.

1518. Would you advocate a continuation of the preferential railway rates for Colonial produce?—Certainly.

1519. You think it is advisable?—Certainly.

1520. You find that at present your railways are a little bit hampered by the competition of other conveyances?—Yes.

1521. Do you think there is a remedy for that?—Yes.

1522. What is it?—I suggest that we abolish the preferential rate for imported goods, for ordinary traffic practically everything, bar Colonial produce which comes in from the farmers, and charge an all-round rate for all articles.

1523. Do you think in that way you would be able to kill the ox-wagon traffic?—Yes.

1524. From your experience of the district, and from what you know to have happened in other districts, do you think when the ox-wagon competition is driven off the road that it will ever re-start?—Not to any extent.

1525. Is it likely that when these men are driven off the road they will go in for agricultural work?—I think so.

1526. That would be simply carrying out the experience of other places, you know; they never re-started again. So you think that by doing that you will not alone be fostering the railway, but also agricultural development, by putting more people on the land?—Undoubtedly.

1527. Is there any other way that you can suggest to assist that portion of the country which you have to deal with in your railway?—No, I do not think so.

1528. That is the main item?—Yes.

1529. *Mr. Harlow.*] Can you give us any idea of the amount of wheat that your railway brought in from that district last year?—I should say about five thousand bags, not more.

1530. Practically speaking, worth about £4,000?—Yes.

1531. I notice that the imports of wheat and flour last year amounted to over a million pounds sterling. Yet they are asking for a higher duty when they have not been able to meet the demand?—These figures are scarcely worth relying on, as the line was only opened last year, and the wheat had been distributed.

1532. *Mr. Kayser.*] You say that you want to continue the low rates on the Colonial produce. What do you mean?—I mean everything produced by the farmer.

1533. Would you give a special rate to the manufactured article over imported goods?—No.

1534. You would put that in your general rate?—Yes.

1535. At present you do make a lower rate for imported meal?—Yes.

1536. Your idea would be to put that on the same rate as other imported goods?—Yes.

1537. Don't you think that perhaps the farmers would like best Clause 5 in the terms of reference?—They never mentioned that or discussed it.

1538. They have never said that they would like a bounty of 5s. per bag?—No.

1539. Can you give any reason why your line should be singled out for a reduction of rates?—It is a levelling up rate; because it is a 2-ft. gauge, and the capital cost of the line is about half of that of a 3-ft. 6-in. It was built as a developing line.

1540. What I mean is this; we have some branch lines on the other side; is there any reason why the Avontuur line should be singled out?—It is simply my view. If you give people of a certain district the lesser facilities of a light railway you should place them on a different footing to those served by the ordinary standard gauge of the country.

1541. You do not think the ox-wagon could be run off on the other lines?—They should receive different treatment, and I am not in a position to give an opinion on that.

1542. *Mr. Scott.*] I presume that you can work at a lower rate than the other lines?—Yes; and there is less wear and tear and less interest to be met on capital expended.

1543. So you consider it would be beneficial if you could give a lower rate on your line?—A levelling-up rate; yes.

1544. Generally are these narrow gauge lines beneficial to the country?—Undoubtedly; I think they are of great benefit to the country for developing purposes.

1545. Specially for grain districts?—Agricultural districts of every description; where you have not enough traffic for the big railway and are not likely to get it.

1546. *Dr. Viljoen.*] Of course, in advocating this uniform rate you would try it as an experiment?—Yes.

1547. And the experience of this might be a guide to us afterwards in dealing with the railways in other parts of the Colony?—Yes.

1548. And you think the experiment could be more effectually carried out on this line than on any of the others?—Yes.

1549. And more economically?—Yes.

1550. I quite agree with you. Would the establishment of an uniform rate make any serious alteration in the revenue?—It would increase my revenue.

1551. *Mr. Scott.*] It would be more beneficial to your line because you think you would have more goods to carry?—Yes.

1552. *Mr. Kayser.*] It would materially simplify your tariff?—Yes.

1553. *Mr. Harlow.*] I suppose you have nothing to do with the general line?—I am under the C.G.R.

1554. Have you anything to do with the traffic from here to Grahamstown?—Nothing.

1555. *The Chairman.*] Have you anything else to say?—I have discovered it is possible to obtain handles for hammers and picks from Knysna and the Zitzikama Forest, and an increased duty on these articles would be beneficial to those industries. I have tried the handles and found them satisfactory.

1556. *Mr. Scott.*] The pick handle is all right, but what about the hammer handles? People who require to use these handles generally contend you require hickory wood?—Yes, and a good many prefer to use a hickory pick; most of us do; it is better to handle. But you can get Assegai and Stinkwood handles which answer the purpose. I have tried them, because I want to foster that industry on the line.

1557. *The Chairman.*] What is the difference in the cost?—About the same.

1558. *Mr. Kayser.*] Do you know that you can purchase the Colonial pick handle less than the imported cost?—You might now, but three months ago they were the same price.

Tanning and Allied Trades of Boot and Shoe and Harness and Saddlery Manufacturing.

Frank Gibaud, of Bagshawe, Gibaud & Co., attended to give evidence on the Tanning Industry.

1559. *The Chairman.*] Will you please make a statement.

Witness.] The chief points of the leather trade industry are, to my mind, that we have never had enough protection, and there has been a continual alteration in the tariffs since 1884, and most of these changes have been adversed to the industry, and with the keen competition from other parts of the world the industry has gradually declined. I can give you figures showing the increase in the imports of leather and I can prove to you that certain firms of tanners have died out in recent years, which conclusively proves that the business is going to the fareigner. My contention is that without reasonable protection we shall not be able to get that business back, and the tanners remaining in the country will eventually die out. I would like to mention a few points about the advantages of the industry to the country. First take the farmers, they would have a market for their bark and encouragement to grow different kinds of bark. Another point is that the tanners here as a rule pay a little more for their hides and skins than does the London market proportionately.

1560. *The Chairman.*] Why is that?—We are more or less in the hands of the produce dealers who ask us for a shade over the price they can get at the London market. We cannot go to the butcher or the up country storekeeper, because they have not a sufficient assortment of hides; the hides are sold to the produce dealer, who supplies us with the assortment we want. A great favour in point of the tanning industry is that it uses up the raw products of the country. We import practically nothing. I reckon we use from 95 to 98 per cent. of the Colonial raw material in our manufactures. We have various kinds of bark which are quite good enough to make good leather, and the leather is as good as that imported into the country.

1561. *The Chairman.*] What white labour do you employ for tanning, is it mostly coloured?—The proportion is about 25 per cent. white and 75 per cent. coloured and black.

1562. What rate of wages do you pay the white man?—From £3 to £3 10s., but our foreman would get a great deal more. The white men do the skilled labour.

1563. And if you had this protection you would employ a great many white men?—Undoubtedly, we should be able to make a better class of leather, and to do that we should employ better class labour.

1564. Would you be able to reduce the price of sole leather to the price of the imported article if you get the protection you ask for?—We charge now 1s. 1d. to 1s. 1½d.

1565. And if you got the control of the whole of the market would it reduce the cost us 1s.?—We get very little of the trade at 1s. 1½d. now because the imported comes in and we do not get the volume of business.

1566. If you got the volume of business, would you be able to tan the hides, and sell the leather at the imported price of 1s.?—I do not think the imported price is 1s.

1567. That is the price given us. Sole leather 1s. 1d. as against 1s.?—I have not heard of sole leather imported at 1s. yet. If it is, it must be a much lower grade than our 1s. 1d. quality.

1567A. And for uppers 1s. 6d. to 1s. 8d.?—Yes, that is the cost of imported kips.

1568. Then do you not think you could supply leather at a lower rate if you get this protection?—Yes, I think we should, because we should have a bigger output and could reduce our cost.

1569. And supply practically at the same cost as the imported leather?—Taking value for value.

1570. How many tan yards are there in Port Elizabeth now?—Two.

1571. And how many white men employed?—Ten.

1572. Would there be more tan yards opened throughout the country do you think?—Yes; there are three which have been closed down here. We are only two to-day whereas in recent years we used to be five.

1573. *Mr. Tod.*] You employ curriers as well as tanners?—Yes.

1574. Have you coloured curriers?—We have coloured assistants to curriers.

1575. Do they use the currier's knife?—No. They only do the rough work.

1576. Do you use Colonial oil for your uppers?—Only when we can get whale oil. We use as much Colonial as we can get.

1577. What barks do you use?—Mimosa, Borbouw, Cape Sumach, Black Wattle.

1578. And you use Cape Sumach to get a softening effect?—Yes.

1579. Do you use sun dried hides at all?—Only in the winter. We don't use any great quantity of them, but we have done so.

1580. Do you find any special trouble in using sun drieds?—Yes, they want a lot more soaking, and in the summer the weather is too warm to soak them long enough before we can use them. We mostly use dry salted hides and wet salted.

1581. From your experience there is no difficulty in getting all weights of hides in this country?—None whatever.

1582. From calf skins upwards?—Yes.

1583. And in sole leather do you find the barks you get here are sufficient to give you the harness required without introducing a bark like Valonia?—Quite sufficient. We import a little gambia for softening.

1584. Do you get the gambia from England?—Yes, as a rule. We sometimes use Natal bark with local bark.

1585. You say 25 per cent. is the minimum duty is what you want?—I don't think we could do with anything less. You have to remember we have to get the trade back, and to get it back from Australia and America we should have to cut prices a bit.

1586. And would you apply that duty to all leather, making no distinction for the extra work put into some leathers over others?—Yes.

1587. Bear in mind there is a tremendous amount of labour put into Reinback?—Yes. We should have to put on a higher class of workman to finish them. We don't make them now; we import them. We made during the war for the army.

1588. And the bulk of the calf skins required are imported?—I don't think there are any imported, they don't use them in the boot factories, they are too expensive.

1589. Do you tan sheep skins?—Yes, and we are able to compete on some lines fairly well, but on the cheaper grades we don't get the quantity to do. On Cape sheep and goat skins we come fairly close with the imported.

1590. If you were told you were not able to manufacture upper leather in this country of sufficient quality for a high class trade, would you say that is right?—It all depends on what you mean by high class trade.

1591. I mean the manufacture of upper leather for high class boots?—Well, I would rather say we can do all the middle class stuff.

1592. So far then you have not attempted the high class trade?—No, but if we had the medium stuff to work on we could eventually work up to the high class trade.

1593. Of course you know that in some respects the hides we get in this country are rather inferior on account of flaying and branding?—No more inferior than hides from other parts of the world.

1594. Your strong argument is that here you have an industry for which practically the whole of the raw material is in the country?—Yes.

1595. And you say the minimum protection you want is 25 per cent.?—Yes, that is absolutely the minimum.

1596. Do you find any difficulty in getting bark?—No, the only difficulty is to stop them bringing it in.

1597. Have you in any way patronised the Government for bark?—We have had one or two samples.

1598. No consignments?—No. Not from the Government.

1599. Do the samples compare favourably with Natal?—Yes, what we have had; I am speaking of the black wattle bark.

1600. In reference to hides, when they are shipped oversea are they not classed as first, second, and thirds and so forth; do you classify them here?—Yes.

1601. In buying?—Yes; I might say that we do not classify them quite so closely into first, second, thirds and fourths, but we buy sound hides, we don't buy damaged hides. When we buy 500 hides we throw out the damaged ones which are subsequently sold as second or thirds.

1602. The closing down of 21 factories in the Colony is a fact I suppose?—Yes, that is on the authority of one of the leading tanners in the country.

1603. In your veldtschoen manufactory do you manufacture boots for the ordinary man, the artisan and so forth?—Yes.

1604. Do you think there will be any possibility of your competing with oversea manufacturers, provided you get the 25 per cent. tariff?—I think so.

1605. You cannot tell me if you would be able to go into other classes of work, other than veldtschoens, etc.?—Manufacturers would be only too pleased if they get any chance of making a profit out of it.

1606. What rate of pay do you give your coloured workers?—In the tanyard we have the ordinary Kaffir labouring man who starts at 18s. per week. But we have coloured employees doing other portions of the process and they rise to 35s., which is the highest we pay.

1607. You say the tanning trade of this country is practically in the hands of Australia?—Yes.

1608. Do you know the value of the exports of bark from Natal during the seven months of this year?—I know it is about £12,000 per month.

1609. And you think if you get this 25 per cent. you can get the whole of the trade which at present goes oversea?—Yes, I think we should eventually work up to it.

1610. I suppose you have no machinery for the manufacture of patent leather?—No, we have not gone into that.

1611. Is there no possibility of your going in for it?—The demand is so small, that I do not think it will come for many years.

1612. Do you think it would affect the saddlery industry if this 25 per cent. was put on?—I think it would affect them favourably, because within six or twelve months we should be able to give them a cheaper leather than they are buying. At present they buy a certain amount of Colonial leather, and we could cheapen our production by getting the demand for what they import.

1613. *Mr. Pyott.*] I think you said you paid a price for hides equivalent to what they fetch in London, after paying export charges?—A little higher compared with the London price after taking into account the cost of shipment to London. For instance, if it fetches 7d. lb. on the London market it costs ¾d. to get it there. In comparison we should have to pay ⅛d. more.

1614. Can you explain that?—In other words, the high dealer makes a profit out of us.

1615. But is there not something in the fact that they have you on the spot, and when the skins get to the London market they have to be sold? The position is that they often offer us hides in this way: "Here are a lot of hides, if you don't give us so much we will ship them next week."

1616. And that is why you have to pay them a little more?—Yes.

1617. The payments for bark to the farmers would be less if you did not get this protection?—Yes.

1618. It was suggested to-day that rough tanned leather when imported for dressing should be admitted duty free. As a tanner would you be in favour of that?—I should not be.

1619. You are not in the habit of importing hides partly dressed?—No. The only thing we do import is what are called rough tanned splits, which is the common part of the hide split off for making very common goods.

1620. And you import that?—We have done so occasionally, but it is not the regular thing, it is only when we are short of this cheap stuff that we import. I would like to point out if rough tanned leather was imported free, it would do away with the use of your raw materials, such as hides and bark.

1621. In the manufacture of veldtschoens can you tell us what percentage of leather you use?—Up to within the last two years we used all our own leather, but we let our tanning department down so low that when eighteen or twelve months ago a little bit of a spurt came in our factory we had to import sun Australian sole leather. We tan all our upper leather ourselves, and a good proportion of the sole leather.

1622. I take it you mean that at the time the last Convention came into force there existed a demand for veldtschoens?—Yes. And we had not the stock to compete with the demand.

1623. Have you got stocks to-day?—No, we have not any great stocks.

1624. Is your tan yard working full time?—Yes, but with a very reduced staff.

1625. Have you got the capacity to do more business than you are to-day doing?—We could do three times the amount of business with our present plant and buildings. We should increase our staff but not our management staff.

1626. You say you would require to increase your working staff. Can you get tanners and curriers locally?—We have educated up a few curriers.

1627. Do you take apprentices?—Yes.

1628. And find them successful?—Yes, sometimes; but sometimes we get bad ones.

1629. But if there was a prospect of this industry going ahead, do you think you would get youths to come forward to be apprentices?—Yes, we have had some boys in lately; it is more easy to get them now than it was three or four years ago.

1630. Do you find parents coming to you to take their boys?—Yes, they have done so during the last couple of years.

1631. How does the price of your leather compare with Australian?—The lowest price we have sold sole leather at is 1s. 1½d.

1632. And the Australian to-day?—It is difficult to say, because there are so many grades.

1633. Quality for quality?—1s. 1d.

1634. Supposing you get the protection you ask for, are you going to be able to reduce the price of your leather in consequence of the increased consumption?—Yes, I think so; competition would compel us to.

1635. You expect other tanneries would grow under protection?—Undoubtedly.

1636. So you don't think by asking for 25 per cent. you are going to increase the cost of leather to the public?—Oh! no; what we want is the work to do.

1637. You don't want another 10 per cent. for the purpose of putting it into your own pocket?—We should like to have it, but we should not be able to get it.

1638. *Dr. Viljoen.*] The present duty is 15 per cent. with a British preference of 3 per cent., and you say you would be satisfied with a minimum of 25?—Yes.

1639. Would you advocate the continuation of the preference to the British Colonies and Britain?—Is that not more a political question?

1640. It is not a political matter; I am not talking politics, I am referring you to a purely commercial business matter. If the preference was taken away and stuff coming from Australia had to pay the same 25 per cent. as from America, would that benefit your business?—I think we should be satisfied to allow the 3 per cent.

1641. Is that satisfaction based upon a purely commercial basis?—Yes.

1642. Explain how?—We consider that 10 per cent. additional duty on the Australian imports would enable us to get the trade.

1643. And you might say the same of the European or American trade?—We should get it.

1644. You advocate 25 per cent. duty, but only 22 per cent. would be charged. At present if you import from America you pay 15 per cent. duty, but you only pay 12 per cent. duty if you get the same article from Australia. If you want to protect this country you want to protect it against Australia; so if you are giving a preference to Australia of 3 per cent. you are robbing yourself of 3 per cent. protection?—We have based this calculation on getting an extra 10 per cent. duty on the present tariff which we think will cover us.

1645. As to these special leathers, patent, enamelled, etc., are you in favour of these things coming in under the low tariff of 3 per cent.?—Yes, they do not affect us.

1646. What period would you put down as the minimum duration of the next Customs Convention?—Well, I should say ten years to give the industry a chance, and enable it to get back into it sufficient capital to put it upon a proper footing.

1647. But if at the expiration of ten years the tariff was taken off or reduced, do you think you would be in such a position then to hold your own against the imported article?—Yes, quite.

1648. Firmly established?—Yes.

1649. Then as to the question of railways; you know there is a preferential for Colonial articles. Are you in favour of that?—I have gone into that matter, but it is a small item to us, as our stuff is not very heavy. I think we should be inclined to simplify the railway tariff and to waive that.

1650. That is of course if you get the 10 per cent.?—Quite so.

1651. But if it is not given you?—We don't want to give anything away.

1652. As to the barks you were speaking of which you are using at present, what are their names?—Mimosa and Borbouw.

1653. How do you get the bark? We get it direct from the farmers, and we pay them direct.

1654. *Mr. Kayser.*] You manufacture both sole and harness leather?—Yes.

1655. Can you supply all the requirements for making harness?—We don't make any high-class stuff at present, but we are making the ordinary run of stuff used in this country.

1656. But you are asking for an increased protection on leather, and we are told some harness leather cannot be got in South Africa?—Then it must be some special stuff.

1657. You can supply harness leather?—Yes; I think all the leather which is necessary for the manufacture of harness in South Africa.

1658. And you mentioned the difference between sole leather from the Cape and Australia as ½d. Do you require 10 per cent. to keep that out?—We want something to keep out the big importations of sole leather.

1659. What difference would 10 per cent. make?—Australian sole leather varies from 8d. to 11d.

1660. Well, call it 9d. 10 per cent. of 9d. would be nearly 1d., and the difference is only a ½d.?—But we should have to cut down to get the business back.

1661. Would they not buy Colonial leather at the same price as Australian?—It has not been my experience.

1662. But if you can supply sole leather at 1s. per lb., surely the people would buy from you?—My experience does not bear that out.

1663. You consider therefore you ought to have sufficient duty so as not to compete on the same basis?—Yes.

1664. The railway tariff you don't care about?—No, we would rather have the Customs.

1665. As to the minimum period you think would be correct?—I don't think we should attract capital in five years, I mean the requisite amount of capital to put the industry on a proper basis.

1666. And any future convention should be at least for 10 years?—I am only speaking for this industry.

1667. It is a long period and we want to be reasonable in our demands. I think your argument is a fair one that it should be longer than it has been in the past. You want some guarantee that you will get back the money you lay out?—Yes.

1668. *Mr. Scott.*] You don't propose that the duty on high class leather such as furniture makers use and carriage builders should be increased?—That is in the free list which we say should stand as it exists.

1669. It is only harness and boot leather for which you require the additional 10 per cent.?—Yes.

1670. And you think that would enable you to compete with the Australian people and get the trade back?—Yes.

1671. A very large amount of money is annually spent in procuring bark. Can you give me any idea the number of tanneries in the country?—There are about eight throughout the Colony.

1672. Something over £10,000 are paid to the Colonial farmers for bark every year?—Yes.

1673. And that sum would be increased if you could get this additional protection?—Undoubtedly; we should increase our turnover, and we should want a corresponding increase of bark.

1674. You were asked a question as to the tariff being for ten years, and you said if at the expiration of that time the duty was taken off you would be able to go on without it?—I think so. I think if we once got this business established in the country on a proper footing there is no reason why we should not export leather instead of exporting hides and bark.

1675. The larger output would help you to cheapen your production?—Yes.

1676. You get bye-products which help your machinery?—Quite so. There is an item which is a very big one with us, namely, fuel; the more spent bark we burn the less coal we require.

1677. So if your works were fully employed you would burn less coal?—Yes.

1678. By that means you cheapen your cost of production?—Yes, our coal bill would be very much smaller.

1679. In addition to bark you use a large quantity of lime?—Yes, a fair quantity.

1680. And that would also increase?—Yes.

1681. Can you tell us anything about the wages you pay your apprentices when they commence as tanners?—As a rule they begin at 15s. per week and they work up to 35s. in three years.

1682. That seems a very fair wage for an apprentice for three years?—Yes; he can make himself very useful as a tanner and currier in three years.

1683. And you have not had any difficulty in getting boys to take up the trade? —We have not had lately.

1684. Can you make any suggestion about the branding of the cattle?—The system of branding is a drawback. I should like to see a regulation brought in, like there has been in Australia for branding on the ears. Branding them on the butt and sides depreciates the value of the hide a good deal.

George Edward Sargent, of W. F. Sargent and Co., put in the following statement in connection with the Boot-making Industry:—

VELDSCHOEN AND BOOT MANUFACTURING INDUSTRY.

The above industry has benefitted materially by the last Customs Tariff. The market for the lower grades of these goods having been secured to the manufacturer, has enabled him to increase his turnover, with a consequent reduction in the cost of production.

It is a remarkable fact that the prices of veldschoens, Colonial-made boots, &c., are as low to-day as they were (considering the higher value of leather) when the lower tariff was in force.

We would suggest that the existing tariff be altered to an *ad valorem* one of 35 per cent. This would be more acceptable to the importer, being simpler, and not penalising goods which we cannot expect to make here, such as gymnastic shoes, cheap carpet and felt slippers, rubber shoes and nurseries. It would give the manufacturer a chance of participating in the manufacture of medium and better class goods.

Owing to the flip given to this industry by the last tariff there is now in the country a large number of skilled workmen who could teach the Colonial youth, and by this means establish an artisan population, which is the backbone of any country.

There is no doubt but that by far the greater portion of the footgear worn in South Africa could be manufactured here, and as we find the imports of boots and shoes in 1906 amounted to £783,486 we feel that an industry of such possibilities must appeal to any Government who has the welfare of the country at heart; more especially so considering that, given the market, these medium and better class goods could be produced without any additional cost to the consumer.

1685. *The Chairman.*] You are in the boot manufacturing?—Yes.

1686. You are asking for an alteration in the present tariff?—That is so.

1687. Do you think it will be better than what you have got now?—Generally speaking, yes.

1688. The witness we heard before the last Conference only asked for protection for the lower class of goods?—Since then we have improved, I trust.

1689. I may say that at the last Conference there was strong opposition to any increase on miners' boots; the Transvaal delegates objected, and it was only with the greatest difficulty that they got 9d. when they asked for 2s.; and they admitted that that figure was quite enough to give them the trade.—Yes, on the lower grades.

1690. Did you give evidence then?—Yes, at Cape Town.

1691. Did you advocate then 2s.?—Yes.

1692. And you asked for too much?—No, I do not think so. The idea was that it would give us the opportunity of participating in the better grades of goods sold. The 9d. shut out the common grades, and there has been an improvement as far as it has gone.

I should say there is not the slightest chance of getting any of the other States to agree to an increased duty at the present time.—*Witness*: In view of the fact that the additional 9d. per pair has not increased the cost one iota, I think we might with advantage get an alteration; not necessarily 2s., but one that would still maintain the lead that the manufacturer has got already, and give us the opportunity of participating in the better class trade.

1693. Can you give us any information as to the increase in the number of workmen employed since the last Conference?—I cannot give you any figures, but generally I should say that there has been a great increase since the tariff was imposed. I have had nearly twenty years' experience in the boot trade in Port Elizabeth, and I do not think that during that period that I have ever seen the industry in a better condition than it is to-day.

1694. Do you mean that the men get better pay?—In this respect, that they get better time.

1695. The standard wage?—Is about the same.

1696. Can you give us any idea of the number of white men employed?—In Port Elizabeth there are about 70, from 70 to 80.

1697. Natives would be about twice that number?—Yes.

1698. What is the standard wage?—Europeans, £3 per week.

1699. Natives?—25s. to 30s.

1700. And I suppose having got the better class trade that you would be able to pay a better wage?—Yes; in the class of goods we manufacture now wages only bear a small proportion to the value of the article; the further you go up the wages increase. For instance, a factory turning out 2,000 veldtschoens per week employs 60 hands, but a similar factory turning out middle class goods would employ 120 men. In Bluchers and veldtschoens, wages represent a small thing in the cost of production, so much material being used; whereas in the middle class goods wages are a great item.

1701. Do you use Colonial leather entirely for your manufactures?—Not all.

1702. About what proportion?—50 per cent.

1703. What other?—Australian mostly; some American.

1704. How could things be regulated so that you could use entirely Colonial leather?—A higher rate of duty would increase the selling value locally of the imported article.

1705. What is the difference between the two leathers, quality being equal?—Sole and upper leather, about 10 to 15 per cent.

1706. What is the price of the two leathers?—Colonial leather costs 13d. and 13½d. for quantities, and Australian landed here 12d.

1707. There is only a penny difference?—That is all.

1708. And that is the leather you use principally for boots and shoes?—Yes.

1709. And the other Australian leather which is used in harness?—Of that I know nothing. I should just like to remark that the difference between Colonial upper leather and Australian is greater than on sole leather. The difference is 2½d. on the upper leather, and 1d. on sole leather. The Australian is cheapest, and the quality is about the same. In preference to the present tariff I would suggest an *ad valorem* duty of 35 per cent. That is about the same as we have now on the cheap goods, and would give us the opportunity of manufacturing the medium to better class stuff.

1710. Have you anything else to say?—I think it is admitted fairly well all round that the present duty has been a very satisfactory one as far as the manufacturer and consumer of our goods are concerned. The prices of boots to-day allowing for the increase in the cost of leather, are no more than they were before the 9d. duty was put on, and logically one would naturallly assume the same argument would hold good on the still better grades. There are some manufacturers amongst us who have had experience of the better class goods and are anxious to introduce them here; but unfortunately the country customer will only order small quantities. The witness instanced a pair of boots he had on, made of springbuck skin, and which were retailed at 16s. 6d., as a sample of a better class boot, which he had worn twelve months, and which had been soled three times. Two thousand of these springbuck skins had been tanned locally. If they had a larger market and a wider scope, the cost of production would be less per pair, as the patterns and lasts would only have to be handled once; the same thing applied right through the process of manufacture of the boot. Then the man who confined himself to one class of boot became more experienced and proficient. Thus their aim would be to raise up in the country an artizan class of workmen capable of holding their own in their special departments against any goods from any part of the world; but so far as the boot trade is concerned it is impossible to call a boy a workman if he has only learned to make veldtschoens. The youths they taught to-day were simply belittled by the imported workman, who never referred to them as workmen. There is another point with regard to the tariff: I should like to suggest that it be made more fixed, say for a certain period. My memory carries me back over the various tariffs we have had since 1889, jumping from 15 to 12, then to 9 and 7½, and then back to 15 and 7½. It is not reasonable to expect that people are going to put capital into the industry if there is no fixed period of duration of the tariff. It is not possible to attract capital into a business unless the owner is able to show that he has an outlet for what he manufactures. The proposed 35 per cent. *ad valorem* duty would assist matters so far as the Customs are concerned. There has been a considerable amount of friction over the 9d., 6d., and 3d. per pair, and in some instances it applied to things they could not expect to make, in the shape of a cheap class of women's shoes, slippers, etc. It has been a hardship to the people who have to wear these goods. An *ad valorem* duty will alter that. With the plants we have fixed up in the country, and the conditions which would follow on a tariff of this description, we could make the greater proportion of the goods worn in the country without increasing the cost to the consumer.

1711. *The Chairman.*] Is not what you propose a higher rate than in any other Colony?—In Australia it is 30 per cent., and they are striving for more, 35 per cent.

1712. *Mr. Tod.*] You say you employ twice as many coloured men as white?—Yes

1713. Don't you think there would be a tendency to employ more and more coloured men in proportion to the white men as they become proficient?—My experience is that the more native labour you employ the more white men you require. There are certain operations connected with our business which could not be entrusted to natives; they can only do the repetition work, mechanical work. The better grade work would require a better grade worker.

1714. By making this high grade work, which you hope the tariff will give you, you will employ more white men?—Yes, and the coloured man would only be for rough work, packing, etc.

1715. You use mostly Colonial leather for veldtschoens?—Yes.

1716. The duty on leather is 12 per cent. from England and Australia?—Yes.

1717. And if it were maintained and you had this additional protection given you, making 35, you would then have something like 23 per cent. protection for your labour?—Yes.

1718. Do you think it costs you that as against the English manufacturer additional to manufacture in this country?—No, I do not. But we don't want to increase the price 23 per cent. I may mention that a good many of our lines are cheaper to-day than when the tariff was put on.

1719. Goods of the lower grades you do not expect or hope to make in this country, and your object in an *ad valorem* tax on them is for revenue purposes?—Yes, it will also apply to a certain extent to high-class ladies' goods, which they say cannot be made in England; but they represent such a small matter when compared with the bulk of the trade that this could be lost sight of.

1720. Why cannot you use Colonial leather entirely in your business?—Well, I think we could if the Colonial leather could be got in sufficient quantities.

1721. Would you be in favour of giving a higher protective duty to the tanner?—It would be only fair that I should, because I think the tanner could make the article if he had the protection; of that I am confident; the leather could be made in this country. I have handled Colonial leather for twenty years and found some of it as turned out by the manufacturers in every way satisfactory, but there was some of it which was not. If a duty was imposed on leather I feel confident it would not increase the price.

1722. If you were making large quantities of boots you could give as good a boot as is being imported?—I am sure we could. During the last fortnight there has been two thousand of these springbuck skins sold in town, bought by a local tanner to be tanned. One of these skins will cut approximately three to four pairs of men's boots and five to six pairs of women's boots. When you realise that you will understand what a supply we have of the raw material, which the tanner has to fall back on. The value of these skins raw is 9d. to 10d. each, but finished they are 3s. 6d. to 5s.; they are selected.

1723. *Mr. Harlow.*] You say you use 50 per cent. of Colonial leather?—Yes.

1724. Is there any valid reason why you should not use all?—There is none. For many years we used nothing but Colonial leather and then samples of Colonial leather were taken to other parts of the world. Then men came from Sydney offering leather remarkably cheap, and we took it. That I might say was just previous to the war, and we like their leathers because their price was low, supplies were regular and their terms were very satisfactory; consequently the leather appealed to us. Then came the war and the demand for Colonial leather was so great that we had a difficulty in getting local supplies; from then until now it has been difficult to get a sufficient quantity of Colonial tanned leather. At the moment there is a firm in Cape Town laying themselves out for it much more largely than previously and since then my purchases of Colonial leather has been greater. I am endeavouring to confine myself to the Colonial-made article because it is as satisfactory as the imported one.

1725. You say there is a difference of 1½d. to 1d. per lb. in favour of imported leather. How much would the difference make in a pair of boots, say, for instance, sole leather?—Roughly speaking it takes 1 lb. each pair of boots.

1726. With reference to making these larger quantities; is it not possible, when you get a pair of boots on the last, to make others for stock purposes?—They are made to order. The merchant orders a dozen pairs for a country storekeeper, and that dozen would be spread over a range of sizes from 5 to 11.

1727. Say he orders a dozen pairs, ranging from 5 to 11, would it not be possible for you to make more than a dozen?—We might not get another order for several weeks, and in that case it would be necessary to keep a gross of pairs.

1728. In reference to the cheap lines of slippers and so forth, do you think the present tariff has been any advantage to the working classes or those people who buy them?—My own personal opinion is that it has been a benefit to them, because it has prevented them buying a low grade article. It may be a hardship on the native woman who has only a shilling or 1s. 3d. to buy a pair of slippers if the slippers are to cost 2s. 9d., but really she has saved 1s. 3d.

1729. As to the boots you have shown us, is the price of 16s. 6d. the wholesale figure?—No, retail.

1730. You say you got some springbok skins which are no use owing to the careless shooting. Do you know when the tanner buys these skins he has to take them unclassified?—They are roughly classified, damaged and sound; the damaged ones are used for linings and so on.

1731. Do you use any of this leather which is known as split hides in the trade?—Yes.

1732. I suppose you know there is machinery in the Colony for splitting it then?—Yes.

1733. You have no trouble in getting the leather you want now?—The supplies are better than they have been.

1734. Have you any difficulty in getting workmen?—No, we import the European man and the natives we take in and teach.

1735. What to do?—The repetition work, that is putting together.

1736. You made reference just now in your remarks to female labour. Is it absolutely necessary you should have female labour in this trade?—We used to have white boys, but the machining is only a minor portion of the trade, and after a year or so they could see, and quite reasonably so, they would never get to any stage at which they could earn anything like a salary. Female labour is decidedly the best labour for this class of work; it is a light employment, and as a rule girls are much more nimble at and adapted to using machines. My experience is that these girls earn good money, and they meet in the factories respectable young fellows, and marry someone connected with the factory.

1737. Have you any apprentices?—No bound ones.

1738. How do you account for that?—I have great difficulty in getting anyone to understand the advantages of bound apprenticeship.

1739. Is it not possible to have bound apprentices and make them superior tradesmen instead of importing them?—I am afraid you would have a difficulty, the Colonial youth objects to be bound. Usually the Colonial workman never learns his trade in the place in which he starts work; he starts at 5s. per week for a year or two, and then will go to someone else as an improver until he becomes more efficient.

1740. Don't you think that is detrimental to the rising generation?—Yes.

1741. But there is a remedy for that?—If you have to keep a boy with you by the law, I am afraid he would not be of any use to you.

1742. It works in other countries?—But it is not so prevalent as it used to be.

1743. You pay pretty fair wages in your factory?—I think as high as any of the local ones.

1744. *Mr. Pyott.*] You are also tanners?—In a small way.

1745. If you had the increased tariff you asked for, which you say would enable you to go in for a higher class boot, what class would it enable you to go up to?—To those that are retailed at 20s. to 21s.

1746. What are the prices of the different leathers you import?—The only leathers we import are rough tanned splits, sole leathers, and kips. Kips land here at about 1s. 6d., they vary, and the price of Colonial kips is 1s. 8d. to 1s. 8½d.

1747. What is the reason the Colonial kips are higher?—In Australia they turn out thousands, whereas in this country the output is in hundreds.

1748. And you maintain the Colonial people are not handling the quantity?—Yes; and the Australian tanners not only tanned for their own market, but also tanned for export to London.

1749. Do you mean to say they are dumping leather here to-day?—Yes, accepting a lower figure in this country than they do in their own market?—Yes.

1750. And you have to contend against that?—Yes.

1751. Is it not a fact there is a certain class of boot made in Northampton which cannot be made in London?—That is possible; the trade is specialised very much.

1752. Then how are you going to get over the difficulty in this country by heavy protection? Can we make the Northampton boot in Port Elizabeth?—It is not districts which has specialised, but firms. For instance a firm which laid itself out for cheap grade goods would become proficient; another firm would specialise the medium class goods and shine at that just as the other man would in the cheap line.

1753. In speaking of your 35 per cent. let us take boots which cost 20s. in London?—I have to see them sent out here, the cost is more likely 5s. 6d. or 6s.

1754. Well, take the boot which costs 10s. Would it require 3s. 6d. to make that boot in South Africa?—In order to place the market at our disposal it would be necessary for such a tariff, but it does not follow that the boots would cost 4s. 6d. more.

1755. But do you think you will ever be able to make the quality boot which you cannot make to-day and you are importing?—I fail to see why not; I am convinced in my own mind that we could.

1756. How does Colonial leather compare with Australian, quality for quality? —The Colonial leather as far as durability is concerned, but not in looks. The Australian tanners rush their leather through with all possible speed, and the man who tans the leather never sees the man who makes it into veldtschoens, and consequently they never hear of any complaints; but here the tanner soon hears all about it.

1757. At one time you say you used all Colonial leather?—Yes, and now you are only using 50 per cent.?—In those days the Australians had not exploited our market.

1758. It is the lower price at which you can obtain the Australian which makes you buy it?—Yes.

1759. But you are paying more to-day in Cape Town?—Yes, I am giving a preference to our own country.

1760. Is there any difficulty in getting sufficient leather in this country at the present moment?—No.

1761. *Mr. Tod.*] What bark do you use?—Mimosa, with a small percentage of American hard extract.

1762. *Dr. Viljoen.*] Did I understand you correctly that you are satisfied with the present tariff; that it was a benefit to you?—Yes.

1763. It was a better tariff than the previous one?—Decidedly so.

1764. And you are making a profit and carrying on your business?—Yes.

1765. It pays?—Yes.

1766. Now has your cost of production increased within the last couple of years?—No.

1767. Your price is still the same; you do not charge anything more for your boots?—No, except the ratio of increase in leather.

1768. You do not charge any more as a manufacturer?—No.

1769. And any increase is due to the advance in the price of leather?—Yes.

1770. That is only a temporary thing?—Yes.

1771. Under the old tariff you had a protection of 15 per cent.?—Yes.

1772. You admit that your cost of production has not increased, and you admit that you get a fair profit—under the existing tariff you get a fair profit, and yet you want to increase the tariff by 20 per cent. I should like an explanation.—The explanation is this; the tariff as it stands at present has proved itself satisfactory as far as it goes; consequently we suggest no alteration, so far as it goes; but we suggest a tariff that really means no alteration, but one which will give us further scope; we don't require anything further.

1773. But I do not understand you.—I am alluding to the tariff of 9d. per pair on men's boots.

1774. Supposing this portion is eliminated from the tariff book, and you only get an increase of 25 per cent., but with the exclusion of such things as cannot be manufactured in this country, all this gutta percha business, would that satisfy the trade?—I am afraid it would not be sufficient to give us the market; it would be an improvement on what we used to have.

1775. Will it be any improvement on the existing tariff?—Well, I have not considered it in that light, and would rather not give an answer.

1776. Why I ask the question is that this is a very complicated tariff. You have to go and work out if a pair of boots cost 1s. or 5s. By your suggestion you are putting a duty on an article which you cannot produce in this country under present conditions; I am talking of goloshes, etc. If we simplify that and put on 25 per cent. in addition to the *ad valorem* duty, how would that affect you?—I don't think it would be enough. I think Australia requires 30 per cent.

1777. Yes, but I am not in Australia now; I am in South Africa?—Quite so; but we must go on the experience of other countries.

1778. You are aware that there is a preference given on goods coming from British possessions, giving reciprocal rates, such as Australia?—Yes.

1779. Do you support that preference?—No; I consider it is bad statesmanship.

1780. Of course you are looking at the thing from a purely business point of view?—Yes.

1781. If you were to look at it from a sentimental point of view you might approve?—Yes.

1782. Assuming that you get a fair protection for your industry under the Convention which is going to be entered into; would it be to your advantage to have it for a fixed period of years?—Yes.

1783. Say it was fixed for ten years?—Yes.

1784. It would be to your advantage?—Yes.

1785. And if at the expiration of that period, whatever it may be, there was an alteration in the tariff, a reduction, would you then be able to hold your own?—Yes, if it were for five years or more.

1786. Are you in any way affected by the preference on the railway?—Yes.

1787. How?—The Colonial made boot goes at 2B rate; the imported boot goes at the 2nd rate. It means a difference of 1s. 8d. between here and Kimberley.

1788. That benefits you?—Quite so.

1789. And you would be opposed to the taking away of that preference?—Yes.

1790. You tell us you have a small tannery yourselves?—Yes.

1791. You do a little tanning? Do you make leather?—Yes.

1972. You have extended your business since you started?—Yes.

1793. Of course, you are a practical tanner?—No, I am not.

1794. You know all about it?—No.

1795. Who works for you?—I have got a Scotchman.

1796. You know what materials are required for tanning?—Yes.

1797. You know one of the essentials for tanning is bark?—Yes.

1798. You are aware we grow a large quantity of bark in this country, so much in fact that we have to export it?—Yes, in Natal.

1799. It is grown largely in Cape Colony now, and the trees are coming to maturity. We have sufficient hides in the country?—Yes, ample.

1800. There is another item required in tanning, and that is lime, which is plentiful in this country?—Yes. In our tanyard we use 5 per cent. of imported stuff, and 95 per cent. of the raw materials of the country.

1801. Then it is not a bastard industry?—Decidedly not.

1802. And you have just one of those industries based on the Colonial productions which ought to be supported by the State?—If ever there was an industry which had special claims on the Government, it is the tanning industry.

1803. *Mr. Kayser.*] I think the request for 35 per cent. is unreasonable. Do you think the people of South Africa are likely to take the Colonial article in preference to the imported one?—I believe there is a better feeling to-day than there used to be as regards the Colonial article.

1804. As to the leather: We have it in evidence that South Africa can only supply very heavy leather. We are told that you cannot get kips in the country?—The kip is cow hide split.

1805. Do you get a medium size hide in the country?—Oh, yes.

1806. We were told that this country slaughtered only very heavy bullocks, and consequently you cannot get a light hide here?—The produce men will give you an answer on that point. The dried hide of 40 to 45 lbs. would constitute a heavy hide. I have no difficulty in getting a hide of 30 lbs., and a good selection at that.

1807. You have no difficulty in procuring any quantity that you want?—No.

1808. As to the dumping in this country of Australian leather, is it consigned to this country or is it purchased at a low rate and then sent here?—A firm of importers have taken a certain amount of space in a vessel for a certain date of sailing, and they find that their cargo is not what they expected, and they run round to people who are importing Australian leather and offer them a few tons of their space in that vessel at a lower freight than ordinarily they would have had to pay.

1809. That is to fill up their engagement with the shipowners?—Yes.

1810. But you get the benefit of that?—Yes.

1811. The Australians do not send their surplus leather here as they do to London?—It is difficult to say; it is done through an agent, who is in either Sydney, Melbourne, or some other port, who buys from the tannery. I believe that leather has been sent from Australia to Algoa Bay by the manufacturers' agents on the off chance that it will be sold when it gets here.

1812. You consider if there were more protection for the tannery business that firms in other parts of the world would be likely to come here and set up tanneries?—Yes.

1813. *Mr. Scott.*] Can you tell me anything about the boot trade in Australia, where they have a high tariff?—My knowledge is only what I have gained by reading; but from what I have seen of Australian footgear here and the prices they can get purchased at, it is cheaper than it is here.

1814. In spite of the high tariff?—Yes; I am speaking generally.

1815. What is wanted by you is a larger market; if you can get a larger turnover that will enable you to bring down the price of your article?—Yes, undoubtedly.

1816. It is very essential that we should have boys in the country learning trades, because we are bringing up a large number of boys, and you mention how difficult it is to get them to pick up a trade. Do you think the high-class article would help to improve that drawback?—Yes.

1817. Can you give me any reason for saying so?—Yes; in every boy's mind there is a certain amount of ambition, I trust. The making of veldtschoens for natives is not a very high ideal, but the making of a good class article would be.

1818. Can you buy leather in Australia cheaper for export than you can get it there for internal use?—I would not like to say that; but the prices they are offering for shipment are extremely low.

1819. Does the indiscriminate branding of cattle in this country affect the hides you receive?—Yes, but there is a great improvement in the branding; it has improved considerably during my experience of tanning.

1820. I ask you that so as to see if a suggestion can be made for the improvement of the industry. Where would you suggest that branding should be done?—On the shoulder. The best part of the hide is the rump. Why farmers brand their cattle on the rump and shoulder I do not know, except that it is to make things more difficult for the skin worker.

1821. Now you thought about five years would be sufficient time as the duration of the tariff if a period is fixed. Can you give me a reason?—A minimum of five years; I feel confident that in five years' time we could establish ourselves.

1822. Do you expect to build factories and get a fair return out of them in five years, because it will take them twelve months to put up a factory?—Well, I have a factory at the present time capable of turning out six times as much as I am at the present time; it has been built about five years.

1823. Generally, do I take it that the many alterations in the tariffs during the past twenty years is one of the drawbacks in getting money put into the tannery and bootmaking businesses?—It has been a great drawback.

1824. Do you think the longer the fixed time of a tariff the better it is for the industry?—Yes.

1825. Now supposing any alteration had to be made in the tariff during the ten years; say it was necessary to suspend the tariff owing to rinderpest and we had no hides in the place; how do you suggest that could be done?—In a contingency of that kind the duty being small on hides there would be nothing to prevent us importing hides. It would be better to import the hides than the manufactured goods. But we are not alone in being visited by rinderpest; Australia is only just out of the throes of it. These are, at the most, improbable contingencies.

1826. *Dr. Viljoen.*] The present duty on leather is 15 per cent., with a preference of 3 per cent., as a tanner do you think that duty is high enough?—No.

1827. What would you suggest?—An additional 10 per cent. The same ratio as I have on boots.

1828. On the unmanufactured leather?—Yes.

1829. There are special articles in leather imported here under a very low tariff, such as patent leather goods. Is it possible to make them in the country?—It is possible, but it would not be worth it, because the quantity is so small.

1830. Enamelled?—That is also patent.

1831. Roan and Morocco?—That I believe is a split hide; it is used for coachbuilding or upholstering.

1832. Then it won't affect the tanning business?—No.

1833. And pigskin in the piece?—That will also come in free, because the pigskins here are not much use for saddle covers.

1834. Speaking as a tanner you have no objection to any alteration in this section of such low rates?—No.

Wednesday, November 6th.

Frederic Mobbs, boot and shoe maker, examined:

1835. *The Chairman.*] Are you satisfied with the present tariff, or do you wish to suggest any alterations?—I suggest that there should not be an extra duty on leather, which there is a desire in some quarters should be imposed. I am satisfied with the present duty on boots and shoes. My reason for not desiring any additional duty on leather is that the tanners cannot supply us.

1836. Why?—That is what I should like to know. We go to them times without number and ask them for a certain class of leather, and their invariable reply is: "We are very sorry, but we cannot supply you at the present time."

1837. Is that because you can import it cheaper than they can make it?—That cannot be the reason, because they go on making tanning leather for themselves. Is it likely they would go on tanning if they could import themselves at a lower rate; it is not feasible.

1838. Your idea is that they can make it cheaper than they can import it?—Yes; I presume they must be able to do so or they would not go on doing so.

1839. Do you think all these tanyards would have shut up if they could have carried on their work at a profit?—I cannot understand why one man can go on tanning while another fails; it must be bad management. Witness mentioned that the firm he represented some eighteen months ago sent some hides to be tanned, and when they were finished the tanner said the next lot would be ½d. more; they sent him another lot, and when he had finished them the message again came that the next lot would be ½d. more. The firm was using half a ton of this kind of leather per week, and his father said to him that they could not go on paying the prices asked. They therefore hired a yard themselves and set about tanning for themselves, and were doing quite well on it.

1840. *The Secretary.*] Is the firm of tanners to which you refer bootmakers as well as tanners?—Yes. I have two letters from Cape Town firms which I would like to read.

The witness read the following letters, asking that the names of the firms be not mentioned:—

Letter 1.

Sept. 13, 07.

DEAR SIR,

We beg to acknowledge with thanks your enquiry of Sept. 10th.

In answer to your enquiry for quotations for sole leather, we beg to quote, three or more tons of sole leather per month, at 1s. 1d. (One shilling and one pence) per lb. less 2½ per cent. cash 30 days.

With reference to our sole leather and other leathers, we beg to state here that we are using only the best butchers hides obtainable, and that our leathers are far superior to anything tanned here in the past, being mellow and of nice light colour.

Under separate cover we are posting you samples of Kip as requested with our price attached. We are sorry just at the moment we would be unable to supply any large amount of these, as we have large orders booked ahead, both for Kip and Split, and the cattle at present being slaughtered being of a heavy grade, the supply of light hides are limited, but we will wire you as soon as we are able to get a sufficient quantity of these on hand.

Awaiting your favourable reply.

Letter 2.

Oct. 30th, 07.

DEAR SIR,

We beg to acknowledge receipt of your favour of the 24th inst., contents of which are duly noted.

With reference to your esteemed order for half a ton of stained greased kip, we very much regret having to state that just at the present time, we are not in a position to execute the order, owing to the impossibility of obtaining a sufficient quantity of suitable hides to convert into kip. For stained kip if a hide has the least flaw on the grain side, it is unsuitable. The consequence is, that it takes us all our time to supply our ordinary customers with this class of leather. You must not gather from this that we will not in the future be able to supply you, as it is only a question of light hides becoming more plentiful.

Letter 3.

Oct. 30th, 07.

DEAR SIR,

We duly received your esteemed order through our representative, for which we are obliged.

The demand for our sole leather at the present time is so great that we are unable to ship the whole of your order this week but have sent you 40 hides which we trust will be to your satisfaction and we shall forward the balance next week. Some of the sides are rather heavier than the weight ordered but you will find the substance is right as they are very large sides. We think we may fairly claim that our leather is superior to the imported article and we should be pleased if you can place an order with us for a regular supply to be shipped weekly or monthly.

Awaiting the favour of your reply and assuring you at all times of our best attention to your interests.

Witness.] Where are we coming in if there is an import duty on leather?—Bagshaw's cannot supply us; they cannot supply enough for their own wants, and if we cannot get the Colonial article where should we be with a prohibitive duty.

The Chairman.] We shall get an answer to these letters at Cape Town. They will say these people give an order for 10 tons from Australia, but they only give us an order for ½ ton.

Witness.] But if these people want our trade they must keep a stock, so that when we want it we can get it. It stands to reason that if we can get our leather in the country we are not going to import it, because we have to contend with many difficulties across the sea. You have to pay for the stuff before you get it, and before you know what you are going to get; and if it is not what you want you cannot ship it back again. We want to buy our stuff in the country, but although these people have come round and solicited our orders and we have given them an order for a ton a month to try it, they cannot supply our order. The third letter is from a firm who quoted us 1d. higher, and I gave them an order for a ton; they replied that they could not supply more than half a ton that week, and the moment the stuff arrived in the store I had to ring up the agent to have a look at it. The upshot was that I had to cancel the balance of the order.

The Chairman.] I think we are perfectly aware, from the evidence of your father at the last time, that you had trouble with the Colonial makers and do not want to take more. Naturally there is trade jealousy amongst them, and the question which Mr. Mobbs does not consider is whether pro-

tection will not affect the tanners, who at present have to make boots and shoes to keep their business going, so that they will give up that part of their business and stick to tanning. Then Mr. Mobbs would be able to buy of the tanners instead of having to buy of people who are his trade competitors.

***The Witness.*] Tanners who make boots and shoes will not supply another bootmaker except at a higher price.**

1841. *The Chairman.*] Has your trade increased since the tariff was put on?—Yes, but everybody knows that we have increased, because when we started we started with nothing, and we have gradually gone on building up our business. It has increased from one man to 66.

1842. During the present tariff?—By an extra turnover of £400 per month.

1843. *Mr. Pyott.*] But what proportion is that to the business done before?—About 15 per cent.; I can prove that since the war our business has increased about 15 per cent. every year.

1844. *The Chairman.*] We import something like £120,000 a year of leather, although the materials are here.—Why do not the tanners tan it? If it pays for them to tan for themselves, it must pay to tan for other people.

1845. Do you think these people would have shut up their tanneries if they could make them pay?—Can you explain why it is that people with £80,000 capital cannot make the business pay, and another man, with no capital compared with them, continues tanning.

1846. But they do not only tan; they make boots.—Yes, and they tan for others. We have always been so busy that we have never troubled about what tariff was put on. There is a great demand for Colonial veldtschoens; and if there is one thing in this country which is manufactured better than the Home article it is veldtschoens; it is an old industry.

1847. Could you keep up your business if 33 per cent. duty now imposed were withdrawn?—I would not like to say that.

1848. If you go on increasing your business under protection, and you object to other people having protection, is that not an argument that you do not need yours?—But this Commission is to try and get fairness for everybody.

1849. Yes, that is what we want.—If you can prove that the tanners can supply the leather, then let them have protection they ask for; if these people will supply us, then let them have protection.

1850. But don't you think that if this protection was given then other tanners would come to the country and start?—I do not think so. Immediately the duty is clapped on up goes the price of the article to within 1d. or ½d. of the local selling price.

1851. Does that always follow?—Yes.

1852. Has the price of veldtschoen gone up?—Yes.

1853. When the increased duty was put on veldtschoens, did the price of the article go up?—Yes, all the factories took advantage of it.

1854. *Mr. Tod.*] And put their goods up?—Yes.

1855. You said just now that you started currying on your own account?—Yes, rough leather.

1856. Because you could do it to your advantage?—Yes.

1857. You have not considered the advisability of starting tanning?—Yes, but it means a lot of money. We are not really currying but dressing common leather, but it is leather which is sold exceptionally well. It is rough tanned splits which comes off the hide next to the flesh, and we get it from Australia. It has meant the employment of another six men to us since we have done it.

1858. You would be in favour of getting that leather in duty free?—It would be an advantage.

1859. It has been suggested that such leather should come in duty free?—It would be an advantage.

1860. To yourselves?—Yes, but the price would come down; it would make precious litle difference.

1861. The price of the veldtschoen?—Yes.

1862. So you really work at a fair margin of profit?—Yes, that is all we want.

1863. So as a manufacturer it does not matter much to you what are the costs of the materials you are using, the public have to pay?—Yes; but it will affect us in this way, that other people have tanneries connected with their factories, and if an extra duty is put on we shall have to pay it; they will not. They will reap the benefit as against us. That would be favouring one party at the expense of the other.

1864. I suppose you are thoroughly familiar with the veldtschoen trade?—Yes.

1865. Has this class of goods been imported at any time?—The cheaper lines have been imported.

1866. Are they still being imported?—Not to my knowledge.

1867. You think the tariff has had an effect?—Yes, it has had a great effect on the cheap lines.

1868. And prevented the common lines knocking out the Colonial article?—Yes.

1869. Therefore, if the tariff were taken off it would be a loss to you?—It would.

1870. And are you in favour of the tariff being taken off?—Not off veldtschoens, because we can supply them. You want to protect something that you can produce and not what you cannot; what I am trying to prove is that they cannot supply the leather.

1871. But in this country we produce the hides and the bark and the lime, and we are in as good a position as any part of the world to do so, and there must be some explanation why it is not done?—Yes, that is what I want to find out.

1872. What class of labour do you employ?—25 per cent. is white.

1873. Do you anticipate that in the future you will maintain that proportion of blacks to whites?—Oh, yes. The whites earn double the wages of the coloured man. It is 25 per cent. of the wages I am speaking of.

1874. Will you tell the Commission what is the proportion of white to coloured?—We employ 19 white men, 6 white girls, and 33 or 34 coloured men.

1875. Is there much difference in the proportion of wages paid to the white men and the coloured?—In some cases they earn practically the same; the coloured worker is faster.

1876. You find the coloured a faster worker?—Yes; they are the Cape boys.

1877. Do you think these Cape boys are capable of becoming highly skilled artizans?—No, they won't put their mind to it sufficiently. They only make the cheap class of article. They like that well, but they will never supersede the white men, because they have not brains enough. They are boys who spend their money.

1878. Would you not be perfectly satisfied if you had sufficient protection as between the protected duty on the raw material and the protected duty on the manufactured article, supposing the relative difference was maintained. You have roughly 25 per cent. protection on veldtschoens, and the present duty on leather is 15 per cent.; that is a difference of 10 per cent. for the labour. Would you be content with that amount of protection?—Yes.

1879. You have no wish to see that increased?—No.

1880. The point is this; if you had the same duty on the raw material as you have on the manufactured, the probability is that you would import into this country the manufactured article?—Yes, because they get cheaper labour at Home.

1881. What percentage of duty do you think is necessary to protect labour?—Well, I certainly think 15 per cent., that is 5 per cent. more than at present.

1882. *Mr. Harlow.*] You say you cannot get a sufficient supply of Colonial leather to meet your requirements?—Yes.

1883. Prior to the order in your letter to the Rondebosch firm had you ever sent them an order before?—Yes, heaps. We used to buy our leather from them; all our sole leather I should say, before the war.

1884. How long ago was it you sent your last order previous to this one?—Six years. The firm supplied us up to the war, but they closed business. For the last six months they have been working again; they have been walking round the country for orders, and I have given them some.

1885. Have they not attempted to supply you since the beginning of the war?—No.

1886. Do you think the late tariff prior to the one formed in 1906 had anything to do with that?—I don't think I am in a position to say.

1887. But still you are in a position to say that at the present time they are not able to supply you?—No.

1888. You know very well that a tanner, if he has not anticipated such an order as you sent down is not able to supply it in a week or two?—No, I am not. I think that when a firm lays itself out to ask for business they should be able to supply the orders when they are given.

1889. You know perfectly well that the tanner cannot tan a hide within a week or ten days?—Yes, I admit that.

1890. With reference to your labour; you have 59 employees. Does that include your clerical staff?—No.

1891. How many have you in the clerical staff; those dependent on the business?—Only two clerks, myself, and my father, who takes no active part in the business.

1892. In the event of working day and night, do your employees get the same rate of pay for night work as they do for day?—No, time and a half.

1893. All round?—Yes.

1894. As to your white employees; take the men; what rate of pay do you give them?—None of them less than £3.

1895. Would it not be possible for you to replace the female labour with male?—No, I don't think so; they would not work for the money; they would ask too much.

1896. What do you pay the girls?—The head girl 25s. per week.

1897. And why would it not be possible to employ men?—They would want men's money; you cannot expect a man to work for what a girl would.

1898. And by so doing you are exploiting the female against the male?—I beg to differ; because all over the world girls do machining, always have done, and always will, I expect.

1899. But you did not explain to us that they did the machining?—I should have told you so.

1900. Have you any apprentices?—No.

1901. Supposing one of your men leaves you; what do you do to replace him?—We have to look round and advertise, and if we cannot get men out here we have to advertise at Home and get them from England. We have one on the water now and another coming at Christmas.

1902. Are they under contract to serve any time?—Yes.

1903. You pay their fares out?—We only advance it.

1904. Do you think that is a proper way to build up your industry?—I do not think importing a man has anything to do with building up an industry. We must get the men from somewhere.

1905. Don't you think you could teach the rising population?—I am afraid not; they do not want to be taught.

1906. Have you ever tried it?—Yes, times out of number.

1907. You are aware there is an apprentice law in this country?—Yes; formerly an agreement was entered into between the parents and the employer, and the boys have served their time, but not in our trade.

1908. If this has occurred in some instances, cannot it be done in and applied to your trade?—It might be done, but as I say the Colonials don't want to learn a trade, they prefer to be quill drivers and clerks.

1909. Are you aware that by importing men that you are breaking the laws of the country?—No, I am not.

1910. Well, I can assure you it is a fact, and you are laying yourselves open to an action?—But I suppose you know that a contract signed in England has no value in this country?

1911. What wages do you pay your coloured boys?—Well, they vary according to the work they do. They average 50s. in the lasting department, and 27s. 6d. in the finishing. It is all piece work.

1912. Do you think you are in a position to compete with oversea firms as regards contracts for postmen's and policemen's boots?—Yes, we are.

1913. Were you asked to tender for the last contract?—For the railway men, yes; but we did not try to take on the contract because of the terms. They specify for one pair, and if the man leaves you have to take it back. Then the thing is cut very fine, and you would have to make a stock of them, as they have to be supplied at a moment's notice.

1914. What you want to infer is that as a rising industry you are not treated fairly in Government contracts?—Yes.

1915. *Dr. Viljoen.*] Are you Colonial born?—No.

1916. Did you come here very young?—Yes, at 10 years of age.

1917. Have you ever made any serious attempt to teach boys the trade?—We have, really.

1918. Been successful?—Yes.

1919. Now when you say you pay your coloured boys 50s. per week on the average, is that piecework?—Yes; it is what they earn.

1920. You said that when you gave a tanner a large order that you expected to be supplied immediately?—When I said that I meant within a week or a fortnight.

1921. You would be rather surprised if he were not in a position to do so?—Yes, if he is a man who calls himself a tanner.

1922. Do you call yourselves veldtschoen makers?—Yes.

1923. Supposing you get an order for 10,000 veldtschoens; would you be able to supply them within 14 days?—No; that is an exceptional order; but three tons of leather is not an extraordinary order.

1924. I presume you are making a profit on your business?—Yes.

1925. Is the price of the veldtschoens the same as antecedently to the last tariff?—No.

1926. Have you raised it?—Yes, because the price of leather went up.

1927. If leather had not gone up you would not have raised it?—No.

1928. Do you know what the tariff is on veldtschoens?—I have been told it is 30 per cent.

The Chairman.] That is on veldtschoens costing 2s. 6d.

1929. *Dr. Viljoen.*] So you got the benefit of this 30 per cent.?—No, we have only raised the price commensurate with the advance in the price of leather.

1930. But you got the benefit of that 30 per cent.?—Indirectly by increased trade.

1931. Do you send much stuff away by rail?—A fair amount, but we never pay carriage.

1932. Are you aware there is a preferential rate for Colonial manufacturers?—Yes.

1933. Does it affect you in your business?—Well, that is hard to say.

1934. If you can send your article over the railway for 5s. and the imported has to pay 7s. 6d., you benefit 2s. 6d.?—Yes, we benefit by getting a little more trade, but we do not get the 2s. 6d.

1935. Your business benefits?—Yes.

1936. You get a protective duty of 2s. 6d. or whatever it is?—Yes.

1937. Would you be in favour of the preferential tariff on railways being abolished?—No.

1938. You would like to keep it on?—Yes.

1939. Have you any objection to state what is your output of veldschoens per day?—[*Information given privately.*]

1940. And you could make more?—Certainly.

1941. By getting more men?—Yes, we have built an extension during the last few weeks. We supply town orders within three days for any size.

1942. You can execute any orders which have been placed before you within three days?—Any orders which I have received up to the present. That is local orders for merchants.

1943. You keep a certain stock on hand?—Yes.

1944. If the tariff on leather were reduced would the price of veldtschoens be reduced?—Yes.

1945. Therefore, it goes without saying that if the tariff were increased, your veldtschoens would go up?—Yes.

1946. Do you buy all Colonial leather?—Yes, when we can get it.

1947. You don't buy much?—We cannot get much.

1948. Is that not on account of the prices?—Not at present, but the leather is no good, at least what I had was not.

1949. What advantage would you give the Colonial manufacturer in purchasing leather?—At the outside ¼d. per lb., for the convenience of getting a quantity when you wanted it, and not having to take ten tons at a time or wait six weeks. I consider it would be advantageous to ourselves to give ¼d. more for the Colonial.

1950. These men you give us as being employed by you; are they constantly employed?—Yes.

1951. Steadily?—Yes.

1952. Because in your evidence you say you pay them piece work?—I think they may not earn the same week by week, but that is their own look-out. They are regularly employed, but being piece workers they stay out when they want to, and in consequence of that we have to engage more men; we have to have a small surplus of men.

1953. An energetic man would get more pay owing to your method of treating them?—Yes.

1954. With regard to the duty, in your opinion is the present duty ample?—Yes, on boots and shoes.

1955. You are amply protected?—Yes.

1956. And desire no higher rate?—No.

1957. What better class boots do you make?—We manufacture a Derby, which sells at 12s. 6d.

1958. It is essential to have girls for machining?—Yes, that is all they do.

1959. And that is what is done in all similar trades?—Yes, in England, America, and Australia.

1960. Is it because the girls are handier at the work?—That is hard to say. The only thing I can say is that it has always been so as long as I can remember, that girls do machining, the same as girls have been employed at dressmaking.

1961. Could the men do the work quite as well?—Yes, only it would cost more.

1962. With regard to apprentices, when did you have an application last?—This morning.

1963. Are you having more applications than in the past?—No, this was the first for eighteen months.

1964. But owing to the present depression is there any more inclination on the part of boys to learn a trade?—No.

1965. Is that probably because you can only teach them veldtschoenmaking?—I think so.

1966. Have they no ambition to learn it?—No.

1967. You get a preference on the railways; would you object to that being abolished?—Yes, I require it in addition to the present duty.

1968. Can you tell us to what extent the railway preference affects your trade, say the percentage on the goods?—Not 1 per cent.

1969. But it is necessary?—It is an advantage, but very slight.

1970. Could you get on as well if it were removed?—I do not consider we could; I think it necessary.

1971. As a matter of fact you would not like to get rid of any of the advantages you have at present?—No; I only ask that the duty on leather be not increased.

1972. Have you endeavoured to do business with local tanners by giving them regular orders?—No, we have only given them orders for the supply of dressing rough tanned splits.

1973. Not a supply of sole leather at regular intervals?—No, we have not.

1974. Of course, you know it takes from four to six months?—Yes. We have been to them heaps of times for leather, and they tell us it does not pay them to tan. Therefore, it would not be any use making them the offer.

1975. The tannery is kept going because it does not pay?—I expect so.

1976. You cannot get a sufficient quantity of good leather from the Colonial manufacturer?—Yes, and that applies to upper and sole leather.

1977. So you would rather pay more for the imported article?—We are doing it at present; but we would rather give the Colonial monufacturers the preference if they could supply it.

1978. Did you say that you make use of the cheaper leather from Cape Town?—No, from England; we are using it now; it is not a common leather.

1979. Cannot you use Colonial leather in competition with that?—They don't supply it; we cannot get it in the Colony; I have never seen it.

1980. *Mr. Scott.*] What increase on the present tariff do you want to enable you to successfully carry on your trade?—We do not ask for any increase. All we are asking for is that no extra duty be put on. The present duty on boots and shoes is ample, and so is the duty on leather.

1981. But you have a duty at present?—Yes.

1982. You are hardly consistent. You have a very large protective duty yourself, and you do not want the tanner to have any protection whatever?—I am not asking for any stronger protection than we have got at present.

1983. But you are fully protected at present?—So are the tanners. You surely would not put the same duty on the raw material as you would on the manufactured article. They can produce a boot cheaper in England than we can because they have cheaper labour and better machinery. The tanners have 17½ per cent. preference at present when you take the cost of exchange and freight into consideration, and I maintain that is a very fair duty on leather. We have not got 30 per cent. on our boots, because we have to give 15 per cent. away for labour, etc.

1984. You stated that it paid to tan leather?—I presume it does, otherwise I cannot understand people carrying on the trade.

1985. You stated that the tanners have a great advantage over you because they tan and make boots, or veldtschoens?—I do not say that at present they have an advantage over us, but I say that they would if they have a duty put on, because at present they tan and make it pay, and if you are going to give them an additional duty they will be better off.

1986. We had evidence yesterday afternoon that about 23 tanners had shut down in the last 20 years. If tanning had paid surely these men would not have shut down their works?—Well, there are such things as management, and if one firm can go on I want to know why another cannot, if he has the capital. The tanners have plenty of hides, bark, lime, and coloured labour. It is no use them telling you they have 20 per cent. of white men.

1987. If we could tan all the hides in the country don't you think it would be better to do so?—Yes, that is what we want them to do. Not simply write and tell us they can.

1988. There are very large amounts of leather imported into the country, totalling something like £128,000?—Yes, and that ought to be an incentive to the tanners to buck up and tan it. The fact that there is such a demand for their stuff should make them lay out their tanyards and show what they can do.

1989. It takes a lot of money to lay out a tanyard?—But if there is the demand what more do they want.

1990. You told us that on account of only making veldtschoens you could not get apprentices?—I said the boys did not want to be apprenticed.

1991. You only make a common grade article; is that the reason?—They could earn a good wage at it; what does it matter to them what the grade of the article may be if they can earn good wages and plenty of work.

1992. There is not much inducement, because there is not much brains needed in making veldtschoens?—Very well, then; they could earn good money without brains.

1993. One of your complaints is that you could not get a few hides of leather at a few days' notice. This man had to write to you and say he could not supply your order?—Not a few days; it was a few weeks.

1994. But you could not expect them to supply you with special leather on short notice?—No; but it is not special leather; it was stuff of which they sent us samples, and of which they say they could supply at such a price.

1995. You admitted that you had not asked the tanner to supply your requirements for twelve months; that is not fair to them. If you were asked to supply 100 pairs of ladies' special shoes you could not do it?—As a matter of fact, we are not catering for that trade at present.

1996. The tanner has to make different classes of leather?—Yes, and we have 25 assorted kinds of veldtschoens, ranging from low prices up to the top, and all styles and shapes, pointed toes and square ones.

1997. There is another point. You want advantages yourself, but you are not agreeable to giving the tanner very much in the way of prices, only about ¼d. per lb., and you expect him to put down a well-equipped plant at 2 per cent. advance on what you are willing to pay for the imported article?—The ¼d. does not represent the profit he gets. I said I am willing to pay him ¼d. more than I can import it for, which should be sufficient if he were tanning for himself; naturally he would not tan if he could get it cheaper by importing. So the ¼d. has very little bearing on the matter.

1998. It is a small advantage for him?—How do you know what he is producing his leather for?

1999. We know it does not pay him because the information we have just got shows that quite a number of tanneries have been shut down?—But what is the good of people telling it won't pay, and these very same people go on tanning for 15 or 20 years.

2000. Here is a list of 23 tanneries which have been shut down?—I am talking about those which are still open. I am trying to convince you that if one man can make the business, another should if he has the energy in him.

2001. There is just one point I want to ask the witness before he goes. Do you know what leather is selling at in Australia?—1s.

2002. And do you think it is a benefit to us to support a country which dumps leather know here at 9d.? Do you think it an advantage to this Colony to take stuff from Australia at 9d. but which they charge their own bootmakers a shilling for?—I would like to know where any leather is sold at 9d. in this country, I don't think it is true.

2003. *Mr. Pyott.*] You only make veldtschoens?—Yes, and high class Derbys.

2004. You have never entertained the idea of making a high-class boot?—Not up to the present.

2005. We take it for granted that for a man to make a high-class boot he would have to be a tradesman?—I doubt if there are two or three men in Port Elizabeth who could make a high-class boot.

2006. But don't you think it should be our duty as Colonials to induce white men to come out here and make high-class boots?—Yes.

2007. And you think the protection we have to-day is sufficient.

2008. You have never done any tanning?—Only the dressing I have spoken of.

2009. In connection with the partly dressed hides you speak of, where do they come from?—From Australia.

2010. Do you pay any duty on them?—Yes, the same as on the dressed stuff.

2011. And what was your object in bringing partly dressed hides to this country?—They are used for insoling, and we know it was the same thing that they made uppers from, and we got it in cheap.

2012. You are aware we produce enormous quantities of hides?—Yes.

2013. And bark?—Yes.

2014. And lime?—Yes.

2015. And we are given to understand that 95 per cent. of the material used in tanning are Colonial products.

2016. Don't you think we ought to do something to retain this industry in the country?—Yes, I quite agree with you.

2017. Can you tell me the difference between the cost of Colonial leather and Australian, landed price, quality for quality, and competition for competition?—The Colonial would be about a ½d. dearer.

2018. Are you using any Colonial leather to-day in your factory?—Only the half tan I got round from Cape Town.

2019. But if you could get it on an equal basis you would use Colonial?—Yes, I would at once. I have placed an order for a ton a month, provided it is the right thing.

2020. Have you entertained an idea of starting a tannery in connection with your business?—Only since we have heard it is proposed to place an extra duty on our raw material.

2021. In the case of an extra duty being put on at a later date, you would be compelled in your own industry to start a tannery?—Yes.

2022. And it would use up hides produced in this country?—Yes.

2023. And the bark?—Yes.

2024. And the lime?—Yes.

2025. And you would employ a certain amount of Colonial labour?—Yes.

2026. I think you said your business had increased 15 per cent. year by year since you started; how many years have you been in existence?—About fourteen.

2027. Did you find any special development in your business when the last Customs tariff went through?—No, just the same, a slight growing.

2028. You did not feel the extra duty then imposed on veldtschoens give a tremendous filip to your business?—No, not at all, only an ordinary growth.

2029. I suppose in the case of an extra duty being put on leather you would be forced to put up a tannery?—Yes, or close our business.

2030. It would not be possible to manufacture from imported leather?—No, not to compete with people who have factories and tanneries.

2031. Do I take it that all tanneries have factories?—Not all.

2032. Your complaint is you cannot get the stuff you require?—Yes.

2033. But if an extra duty was put on, don't you think you could get it?—There is no one to supply it.

2034. And yet we receive as imports £108,000 worth and export the hides; surely we could balance that in some way. You are aware that a considerable number of tanneries have been closed all over the country?—Yes.

2035. There seems to be the same business for the tanneries to-day?—Yes.

2036. And the duty on leather was heavier than in former years previous to the last Customs Convention?—Yes, but not higher than it is at present.

2037. *Dr. Viljoen.*] What is the average price of a dozen veldtschoens?—The average would be £3 5s. a dozen, ranging from 4s. up to 6s.

William Playdon, Bootmaker, examined.

2038. *The Chairman.*] What is it you want to say to the Commission?

Witness.] I object to any increase of the duty on leather or boots and shoes, on the ground that the present tariff is ample for all the stuff that can be produced in the country at present, and if you increase the duty on leather you will throw the boot business into the hands of men who are tanners as well as manufacturers, and thus instead of increasing the boot trade in South Africa you will rather contract it. It has been stated by the tanners that owing to the want of protection the business of tanning is dying out in South Africa; but I think it is the business of the tanner to give a little more definite reason why, I think if you will trace the matter back you will find that the tanning industry is in its present position rather through the natural working of economic conditions than through want of protection. Of course, the boot and shoe and the tanning industries have been continuously progressive for 50 years. If 50 years ago you wanted a pair of boots or shoes you placed your order and had to wait until the shoemaker made them on the handsewn principle; he made you a good article and you paid a good price for it. He in turn paid the tanner a good price for his leather, which was tanned on primitive methods then in vogue. Then came the new method of boot manufacturing, which soon created a demand for cheaper and lighter leather. Previous to that, however, the largest cost in the production of a pair of boots was the labour; but under the new method the largest cost was for the leather; hence the demand for a cheaper leather. This demand for cheaper leather was quickly supplied from America, which country at that time had an abundance of raw hides, very cheap, and it had already discovered a cheap method of tanning. This caused, as you may easily imagine, a consternation amongst the tanners of Great Britain, who were tanning their leather on the old primitive methods. Well, I think if you were to refer to that period you would find that a large number of tanners had to close in consequence of the American competition; but the British tanners soon rallied to supply the manufacturer with his requirements. At that time the manufacturer in Britain had an ample home market for all he could produce in the way of boots and shoes, and the energetic men, who adopted the new methods, made large fortunes. Even when they had supplied the British market the United States was open for them, and it was many years before they felt the effect of over-production. Then they turned their attention to other markets and South Africa was amongst them. The tanner had then greatly improved his method of production, and when he struck the South African market the manufacturer was able to offer boots and shoes with a style and finish the people were not generally acquainted with as a general article of commerce. When he came here he found the tanner and the bootmaker carrying on his business on primitive methods, and the consequence was that the market of South Africa fell an easy prey to the British manufacturer. The first man to be knocked out was the shoemaker, not the tanner, and not having a large capital he drifted into the repairing line, and we have not heard much about him ; but the tanner, having capital in his business, naturally held on. But with nothing in the country to stimulate his energies and cause him to modernise his methods of production, he became poorer and poorer and drifted more behind the times. And in the face of what you can buy in South Africa as the result of progressive bootmaking and tanning I doubt whether it is at all desirable you should try and save him, as long as he sticks to his primitive methods of production. During the last few years there have been a few boot manufacturers come into the country, who know what can be got on the other side in the shape of leather. In trying to meet the demands of their customers it must be always borne in mind the manufacturer has to meet the public demands ; and in trying to meet the requirements of the public he naturally looks to the tanner to supply him with the article he requires, and the tanner not being in a position to do so the bootmaker has had to go elsewhere. Now I can show that, even under the present tariff, where the tanner adopts progressive methods he is able to successfully compete with the outside tanner on some lines, but there are other lines that the tanner of South Africa will never be able to produce, no matter what protection he gets. I have here two soles : one cut from imported leather and the other from Colonial leather. I say that the Colonial leather in this case is much superior to the imported sole ; in fact, I go further, and say that price for price, quality for quality, this sole leather is equal to anything which can be imported, and this man knows the business. He has adopted up-to-date methods ; he is doing what he can to revive the tanning business under the present tariff, knowing what he was doing and having no guarantee he would get increased protection. I have a letter from this tanner saying the price of this sole leather had been reduced ½d. per lb., which is less than I can land the imported article at. This man is actually able to keep out the imported article on ordinary business methods and progressive production. The point I want to emphasise is that on this particular class of goods the South African tanner can, if he adopts modern methods, compete under the present tariff with anything that can be brought against him. Now this same tanner, when I sent round to him for upper leather, replied that he was sorry, but owing to the scarcity of light hides in the country he would not be able to supply my upper leather for some weeks, and I have not received it now, although his letter was sent off some two months ago. It is quite evident I cannot make boots without uppers, and if you debar me from importing by a prohibitive tariff the only alternative is that I must close up my factory until the country can supply me with sufficient upper leather—kip upper leather for the production of veldschoens—can be produced in this country as well as anything which can be imported, when there are sufficient light hides available ; but Cape veldschoens form a very small percentage of the total of boots and shoes required for the markets of South Africa. There are some leathers which South Africa can never produce, owing to the progressive and economical working of the tanning and boot industries throughout the world the whole of the leather industry has become specialised. For instance, France is celebrated for its glace kid, which you are bound to have if you are going to produce high-class boots. Although the British manufacturer has repeatedly tried to produce a glace kid, up to the present he has not been successful. He has imported French workmen with French methods, but he has not been able to get the best glace kid, owing to the favourable local conditions in France. Then there is the Russian calf ; which has a beautiful finish and is very tough ; that is specialised by a Russian tanner, who alone knows the secret, and although desparate attempts have been made to learn it up to the present they have been without success. This is a recognised article in the boot trade, and if a man wants to be up-to-date he must have it. Then the French calf is a recognised product of France, and if a man buys a pair of French calf boots he knows he is getting a certain quality of leather, with certain characteristics. Then there is the box calf from the United States, which is very soft and beautiful in finish, and is a recognised American production. Why I have gone into these matters and the various leathers is to show how things stand in South Africa. You will notice, with the exception of the glace kid, all the ground work of the leathers I have mentioned is calf skin, and the calf skin of South Africa is absolutely useless for the production of high class leather, owing I am told, to the calves getting infected with ticks, and the skin becomes harsh and unsuitable for high class quality leather, and from what are known in the trade as heavy growth marks, which makes it impossible to dress it for high class work. These are only some of the specialities which the up-to-date manufacturer must have, specialities which Great Britain, with her free trade and skilled artizan population have made strenuous attempts to secure ; but they have held the market on their merits. The people of South Africa have enjoyed the results of progressive bootmaking for some years and have been educated up to a certain class of boot and shoe, and you are not going to force them to put their feet into a square box made of stuff almost as hard as iron by any Act of Parliament, and whatever duty you place on leather or boots the people of this country will have the article they require. So that by placing a duty on boots and shoes which cannot by any means be produced in this country at the present time you are not in any way encouraging the industry, but you are bringing the whole question of protection into disrepute. I have stated that the first man to be knocked out in the shoe industry in this country was the bootmaker, and the first man you want in the country to stimulate the tanners to up-to-date measures is the experienced boot and shoe manufacturer with capital, and that man you will never get in this country if you place too many restrictions on the leather supply. The boot and shoe industry, if it could be developed in this country, would form one of the most valuable industries that you can possibly introduce into the country from the standpoint of labour. A glance at the figures of the imports of boots and shoes and when I acquaint you with the fact that one-third of the total figures represents labour you will easily understand the statement. It is quite evident to the practical man that you cannot jump from the rough veldtschoen, made principally by coloured labour, to the glace kid welter ; you must take the intermediate common and medium class of boot and shoe, and this to my mind is the only way you can educate the labourer, which is available in South Africa, up to the higher class boot and shoe manufacturing. The present tariff is principally a rated tariff for boots and shoes ; once we get the tariff fixed for a period it will be ample for its purpose, for all the development which can take place for some years to come. The rated duty has this advantage, it shuts out a lot of cheap rubbish from the market, which is a fraud wherever it is sold, and enables the manufacturer here to produce an article somewhere about the same price to sell in its place. I am strongly in favour of continuing the present rated duty on boots and shoes, although I am aware there are some slight objection s to it. In judging the amount of protection that the tanners have at the present time, it must always be borne in mind that he is on the same basis as his Eastern or Western competitor as regards the raw material. One of the reasons he urges why he should have protection is that he uses up the raw materials products of this country. The tanner's raw material forms on his estimate three-fourths of the total cost of the tanned leather; I am speaking of undressed. And if he is on an equal basis with the Australian competitor for three-fourths of his total product he has the protection at the present moment of 12 per cent. on the total product, and that is equivalent to 48 per cent. protection as against the boot manufacturer of this country, who has to pay an enhanced price on all his raw material as well as labour. On the face of this, the tanner is on an equal basis with his fellow competitor as far as raw material is concerned, and in Australia and Europe the expert tanner can command good wages; I say that as far as the expert tanner is concerned he can command his wages in any part of the world; but when it comes to the rougher part of the labour employed, the South African tanner's own figures show he is paying 75 per cent. in native labour. In Australia there is a minimum wage of £2 per week, and place this against the South African labour of 15s. to 20 per week. With expert labour on an equal basis as his Australian competitor's with his raw material on the same basis, with 12 per cent. on the total product, to say nothing about the expenses of freight and so forth; I do not think the tanner of this country has advanced any tangible reason why he should have increased protection. I have pointed out to you that when the competition started in this country from Great Britain in the boot and shoe line, it found the manufacturers and tanners in an unprepared state to meet it, owing to the fact that up to that time they had had the market practically to themselves. If you give the tanners or boot manufacturers an excessive tariff it will hold them down to their old-fashioned methods; they will never keep themselves abreast of the times, and so, at any future time, when the tariff is taken off, if it should be taken away, they will be found equally as helpless to cope with the situation as they are to-day. So if you give him protection to enable him to keep the market to himself, it would be advisable to give him only enough to secure his market, so long as he adopts up-to-date methods, it would be for the general good of the industry; because the steady building up of an industry is more benefit to any country than to have a rapid growth which cannot be maintained. The tanners of this country have brought forward a great mass of figures to show you that there is a great amount of imports into the country, and that a certain number of tanners have had to close down; I think I have made it clearly evident to you why these tanners have had to close down. As far as the leather imports are concerned to give you a bald statement as to the amount of the imports is poor information. If they could supply you with details of the imports as disclosed by the figures, such as the various leathers which had to be imported into the country, it would have been some information. It is a recognised principle of the trade in all countries that there are branches of trade in which manufacturers get expert in producing, and these same people concentrate their energies in doing that in which they are expert and giving best to others who are expert in other branches. The combined business of tanner and bootmaker is unworkable, because no man can hope to be expert in both, and nothing less than an expert will do.

2038A. *Mr. Tod.*] I will give you an instance where this is done in England.—Yes, but it is not a recognised principle of trade.

2039. *The Chairman.*] Can you tell us whence the largest imports of leather come into this country?—Yes, from Australia.

The Chairman.] Then to keep to that point, please.

Witness.] But it is necessary you should know the whole thing from the start. Australia shipped untanned sheep skins and they rapidly became the staple article of commerce on the British market. Australia knowing this, and recognising that they had the market to themselves, reasoned thus: why should not these people take these skins in the tanned state instead of the raw, and by doing so they have retained the tanning in their midst. They also produced an excellent sole leather, which immediately lept into favour as soon as it was put on the market; it sold by its peculiar merits. Australia did not take to itself half the worry that the people of South Africa do; they found out what their country was adapted for and they went for it; they manufacture their own leather, and the rest they either export in the raw or tanned state, or they use it up in their own country for other purposes. Here is a legitimate field, in my opinion, for the South African tanners. They could get all the sheepskins and goatskins that the country can produce and send them to the European market in a tanned state; the market is bound to have them; you must recognise there is no over production in skins and hides in the world, and if the tanner in this country likes to bestir himself then why cannot he do it. Why has he not done it? Here is a splendid opening for him; I have no knowledge whether he has attempted to fill it. From what I have shown you in the shape of sole leather there is nothing to prevent him producing sole leather which will find a market in any part of the world. Every leather has certain characteristics, and the man who works it soon learns those characteristics. I see no reason why the Colonial sole leather should not attain to the same position as the Australian; it is equal in every respect except first cost; it is a shade higher.

2040. *Mr. Tod.*] Are you a practical tanner?—No, I am a bootmaker.

2041. You said the present tariff was satisfactory, and that you wanted no increase?—No.

2042. Supposing that the Government deemed it necessary to increase the duty on leather, would you want a corresponding increase on the boots?—No, I do not think it would be any benefit.

2043. You want no difference between the duty on the manufactured article and the rough leather?—If the Government of this country increase the duty on leather, then the manufacturer who is not a tanner had better close his business.

2044. But surely if the tanning industry is stimulated in this country you will find the tanners willing to supply you with leather at a profit to themselves?—Not until the manufacturing industry is more firmly established than it is to-day.

2045. What class of boots do you manufacture?—This (produced) is a line I have lately got on the market; an imported upper and Colonial sole. If I am confined to this market for the upper I cannot produce it. This boot no one would look at until the present duty was put on; since then we have been able to get it on the market.

2046. But might not you be assisted in other ways to produce a better class article?—No.

2047. Do they make boots and shoes in Australia?—Yes.

2048. Do they make good leather in Australia or do they specialise?—I cannot say what they manufacture for their own market.

2049. You know they are making good boots?—Yes.

2050. What are the peculiar conditions of this country which prevents them being made here as well as in New Zealand and Australia?—Well, Australia has a white population, and there is no doubt that when they started making boots and shoes they had a certain proportion of practical bootmakers in the country.

2051. But don't you know they were stimulated by high protective duties?—Not at the start; it has been progressive, I believe.

2052. The duty to-day is something like 30 per cent.?—Yes, I know.

2053. You would not be in favour of a duty of that sort here?—I don't think it is necessary at present.

2054. So far as South Africa is concerned you think that we should be content to get our high-class manufactures from other countries and content ourselves with making veldtschoens and a low grade of goods?—No; but I say it is the only thing you can produce here at the present stage of development and the only thing you will be able to produce for some years to come.

2055. But you have given us no reason for that? Cannot the workmen be got; cannot they be imported?—It is no question of importing the workmen; it is quite impossible in the present state of development to produce the leather. I don't think it is the idea to build up industries in a country where you have to import the whole of the labour. The idea is that industries should be opened up for the benefit of the Colonial born.

2056. Still I want to get from you, as a practical bootmaker, if the price is sufficiently remunerative to you, cannot you turn out any boot the public require by arrangement?—No.

2057. Where does the difficulty come in?—Labour is not available.

2058. I say if the price is sufficiently remunerative to you? If an extra duty were put on could not you manufacture the boot?—From my knowledge of the boot trade, if you take away every semblance of competition you cannot manufacture.

2059. Under any circumstances you say the boot cannot be made here?—No. Other countries with high protective tariffs still import this class of boot and shoe, showing that they are unable to grapple with the better class of boot and shoe.

2060. Well, you quote America as having risen to such a state of excellence in both tanning and bootmaking; but we know that even to-day there are imports of boots and shoes into America and leather goods from France. That only affects a small proportion of the total; but, in the main, if the price is remunerative, it is possible to make 75 or 85 per cent. of the whole of the boots used in South Africa?—Well, it is possible, but not what I should say practical. I will tell you why. Your labour needs to be trained; your workmen are mostly coloured and working on veldtschoens; you have to train your labour here, and it is far better to train labour on common and medium class goods than to give them better class goods to be spoiled while they are learning their trade.

2061. *Mr. Harlow.*] You have made a great point of competent workmen. Are you aware that there are plenty of first-class workmen in the Colony?—Bootmakers and boot operatives who are required in present day production are different men.

2062. I mean men who have gone through high-class factories in England; I mean boot operatives.—Then I am not aware of the fact.

2063. Well, I can assure you there were; and that many of them have had to go away to get work because the manufacturers of this country not supporting them. You say it is practically impossible to manufacture this class of boot in the country, and you do not want a higher tariff?—No.

2064. Is it not possible to train up the rising generation to make these boots?—But in the meantime are you going to allow them to ruin a lot of valuable material while they are learning their trade?

2065. But you have got to teach them to do a practical class of work?—Yes; but you begin with the common grade and then teach them by easy stages to become efficient in a better class of work.

2066. How long have you been in business in Port Elizabeth?—Six years.

2067. Have you done anything to train up labour?—No.

2068. That leather in the top you say you cannot get in South Africa? Have you ever tried?—Yes.

2069. Will you be surprised to hear that there are scores of hides of that class of leather lying in Cape Town?—The question is at what price can they be bought.

2070. I am not talking of the price?—I am not aware that a lot of leather like that can be obtained in Cape Town.

2071. Are you aware that every class except patent leather is obtainable in the Colony?—It is possible, but the manufacturer would not be agreeable to use it.

2072. Why?—I should have to get samples of the leather to answer you.

2073. Is it prejudice against the South African article?—No; but you cannot use it to advantage at the price.

2074. You say that you cannot get light hides here. Is that not the possible reason why the majority of hides are exported without considering the tanner here?—It may be so; but seeing that this man has got a standing order it is surprising that he has not endeavoured to arrange for a supply, and thus secure some of the hides.

2075. You are only referring to that one particular firm?—He is the only man I can buy leather of in South Africa to make any profit on my work.

2076. You are aware that some of the factories at Cape Town are being extended at the present time?—If so they have not pushed for any business; they have sent no circular or anything else here.

2077. As I have said before, I think a great deal is prejudice against the South African manufacturer, for the reason you have never supported him in any shape or form?—That is where you make a mistake; I have repeatedly made inquiries, and have repeatedly attempted to order South African leather. I got as much as I could of my supplies from the firm I have quoted you when they were doing business before. As soon as I knew that they had opened up business again I was only too pleased to take what I could from them again, knowing their stuff was a certain standard and quality, and that I could rely on it. I have asked for quotations from other firms and have found that their prices were unworkable for the market. A manufacturer has got to suit the requirements of his customer, and if he cannot do that it is no use carrying on his business.

2078. Don't you think that an increased tariff would tend to have the work done in the country?—I think if the present tariff is fixed for a certain period there will be a certain amount of development in the boot manufacturing industry, and that will have a tendency to reduce the amount of the imports. But whatever protection you put on you cannot hurry development. If you put an extra tariff on to-day you will not see any difference for the next 12 or 15 months.

2079. What I want to get at is this, that the present manufacturers have not in any way tried to compete with the requirements of the Colony?—Well, of course, the present tariff has been so uncertain that no manufacturer has ventured to increase his plant or secure a larger staff until he is more certain of his ground. What is required is a fixed period for the tariff.

2080. What would you suggest as the length in time for the duration of the tariff?—Seven years as the minimum.

2081. *Dr. Viljoen.*] The firm you have mentioned in Cape Town has only just started after a period of cessation of working, and of course it will take a considerable time to lay in a stock of leather, etc. Perhaps that may be one of the reasons why they cannot supply you with the leather you asked for?—No; I say one of the reasons is that there is nothing on the market to suit me.

2082. That is one of the reasons. There may be many reasons?—Seeing that the demand is greater than the supply, I do not think they could possibly have held large stocks under the circumstances.

2083. Are you acquainted with tanning?—Only from the standpoint of the boot manufacturer.

2084. You do not know theoretically how tanning is done?—Yes.

2085. Do you know what proportion of the raw materials we have in South Africa?—I have never gone into that matter.

2086. Well, I might instruct you. We have the bark?—Yes.

2087. We have the skins here?—Yes.

2088. We have the lime here?—Yes.

2089. And we have had in evidence that about 95 per cent. of the stuff is Colonial?—Yes.

2090. Even the tallow we have here?—Yes.

2091. And sometimes whale oil?—Yes; but you will remember that I said it was necessary for tanners to specialise.

2092. Yes, we know that. We are speaking generally of tanning. If I remember you said that some Colonial leather could compete in quality and price with the imported article?—From this firm; I do not say that it applies to every firm in South Africa.

2093. You mean that the sole leather you have received from the firm you mentioned can compete with the imported article in quality and price?—Yes.

2094. To which imported article do you refer; to the Australasian?—Take any leather you can import for the present requirements of the boot manufacturers.

2095. Is it as good as the leather from any part of the world?—Yes, for the present requirements of the boot makers.

2096. Now would you mind telling us whether you use imported sole leather at the present time?—I have used imported sole leather for some considerable time, but since I have been able to get it supplied from this firm I have not.

2097. Previous to dealing with this firm did you make extensive inquiries in the Colony to see if you could get the local article?—Yes, repeatedly.

2098. So it is not because the articles were not here, but a want of knowledge of the other tanneries that they could not produce the article?—Yes.

2099. But that can be remedied?—Yes, that is my point; if one can, the other can

2100. You say that you have entirely stopped the use or importation of sole leather?—Yes.

2101. Does that apply to other firms too?—I cannot say.

2102. Do other makers import sole leather or are they using Colonial leather still?—I believe they import still.

2103. Do they import for sentimental reasons then, because they can get an equal article in the Colony equally cheap?—Well, a man is able to judge what is best for his own industry, and if the Colonial article is equal to the imported, in his own interest he would naturally buy the Colonial article, because no man wants the risk of importing.

2104. So if people do not avail themselves of the Colonial article it must be for sentimental reasons. You say you would like to see the Convention establish the tariff for seven years?—Yes.

2105. I understood you to say that you could not get leather like that upper in the Colony?—No.

2106. They cannot make it?—No.

2107. Have you seen leather from springbuck skins?—To make or tan a skin for exhibition purposes and to make one for manufacturing purposes is a different thing.

2108. This man has 2,000 skins. He would not have tanned that number for exhibition purposes?—No.

2109. It is a fairly large quantity?—Yes.

2110. It would not be simple?—No.

2111. Would you be prepared to deny that this leather obtained from the springbuck, and of which this man said he has a large quantity is not as good as that?—No.

2112. So that perhaps there may be uppers in the country, of which, through no fault of your own, you are not aware?—Yes, but I must qualify my remarks in regard to the springbuck, that a large percentage of it is unsuitable for the outside of an upper. Right down the back of the whole skin it is very weak, and if you use it in a boot upper the chance is that it would give out in a very short time; and then the belly portion of the skin is not good.

2113. These skins were not offered to you?—No; he kept them a profound secret as far as I was concerned until he came to this Commission.

2114. Perhaps he thinks you are prejudiced against the Colonial article?—How could he think I am prejudiced against the Colonial article when I get my living by the production of the Colonial article?

2115. You are not affected by the preference on the Colonial railways?—Yes.

2116. Do you pay the railway rates?—No.

2117. They are paid by the consignee?—Yes.

2118. In principle would you be opposed to preferential rates; would you wish them to be taken away?—No; I wish them to be retained.

2119. *Mr. Pyott.*] I understood that 2,000 springbuck skins were offered on the local market?—I understood from the newspaper report that 2,000 skins changed hands in a week

2120. Our tanners are generally veldtschoen makers?—Yes.

2121. Are they all veldtschoen makers?—No.

2122. Can you give us an exception?—Yes; Messrs. Mossop & Son, Ltd., of Cape Town.

2123. They are the only free people?—They are the only free ones I know of.

2124. Don't you think with a reasonable protection on leather coming in you would have other tanners springing up?—Not until there is an independent body of manufacturers.

2125. But there are to-day?—Yes, but the development which has taken place is very small in the total requirements of the boot and shoe industry; it is hardly to be noticed compared to what it might be if we had 50 per cent. of the imports.

2126. Do you think there will be any development of the tanning and boot manufacturing industries if people are not induced by a protective tariff to come here?—But they have protection, which to them is ample.

2127. Do you think that other people would come to the country if there were protection?—They would come if they had a market for their goods.

2128. What do you mean?—There must be the manufacturers here.

2129. Are you aware that a certain large English firm started leather tanning at Kingwilliamstown?—Yes.

2130. They were veldtschoen makers?—Yes.

2131. They had then benefit of the present duty?—No.

2132. Don't you think if they had any belief that the duty was going to be put on that they would have held on?—No, I do not.

2133. You said that America had made tremendous strides with its cheaper leather owing to improved methods of production and tanning?—Yes.

2134. Are you using that cheaper method of tanning.?—No, I have not. It is impossible to carry on tanning so many classes while business is limited so much.

2135. You are not using up-to-date methods?—No.

2136. Do you think if the tanners were given a little more protection they would use more up-to-date methods?—No; it would be the last chance of getting them to do so, because there would be nothing to stimulate the tanner to improvement.

2137. You mean to say there is no market?—Well, he is sure of his market under these conditions, and there would be nothing to force him to do better and adopt up-to-date methods. The tanning of leather has been brought almost to a science; there is a large amount of chemicals and other preparations used in manufacturing in other parts of the world, and these are the up-to-date methods of which I am speaking. As I mentioned before, the experts on the other side are able to judge leather on its merits, and if leather is put on the markets of Europe it sells on its merits.

2138. But you must admit we have an enormous market in this country for hides?—Yes, but you might not supply the trade with its requirements all the same.

2139. But we must, as far as possible, endeavour to work the hides up in our own country instead of exporting them to other lands to be made up?—Yes, but it is your duty to find out what the market wants and to try and supply it.

2140. But cannot we offer the inducement to someone with an up-to-date tannery to come out here and start with improved appliances?—Yes, you could offer them the inducement; you have the raw material here.

2141. Yes, but that has not been sufficient in previous years.—The question is whether it has been brought to anybody's notice as I have mentioned it, viz., to tan the leather for export; if he would do that his market would be unlimited, if he exported it in the tanned state.

2142. There is little hope of that when he cannot supply the local market.—One of the difficulties we have to contend with is this: a man may require what is known in the trade as a bend of leather. The English tanner makes it his business to supply leather in whatever way it is wanted. The repairer only uses the bend or the prime portion of the side, and the rest is to him so much waste. The bend is only 50 per cent. of the side. The Colonial repairer has to secure the whole side to get his bend. He is buying offal that is no use to him.

2143. What class of boot have you made?—A medium class of boot up to 7s.

2144. Why is it you have not been able to make a better class?—I have not had sufficient inducement to develop that trade.

2145. But you know there is a tremendous market for boots over 7s. value? Why have you never attempted to deal with it?—It means laying down an expensive plant to start with, and there has been the uncertainty in the past regarding the tariff. No man would be justified in laying down such a plant. I may give you an instance; there is a firm in this country which had £2,000 worth of beautiful machinery, but to-day it is absolutely rusting.

2146. Why?—It was imported with the idea that he could make boots; he tried it; but he found that he could not under the then tariff. That was previous to the present tariff. His labour was too rough in the district in which he started.

2147. Supposing there was any change made in the tariff and that it was made for a definite period of years, what class of boot would you be prepared to make?—A wholesale price, say, of 8s.

2148. Only 1s. more. But supposing that the duty should be made a little more, would you be able to go higher?—It would make no difference.

2149. You are employing white men at the present time?—Yes.

2150. Have you any apprentices?—No.

2151. Have you endeavoured to induce boys to learn the trade?—No. In the present state of the boot industry I do not think any man is justified in inducing a white youth to learn the shoe trade, seeing his only prospect is that he would be competing on a level with coloured men.

2152. But you would in time be able to put him on a better class of goods?—Most decidedly.

2153. But you say you would be only able to go up to 8s. on the present duty?—It is a high wholesale price for a boot.

2154. Is it a good class of boot?—It is a good medium.

2155. Selling retail at?—12s. 6d., possibly more.

2156. You have offered no inducement to youths to learn this class of labour?—No; I have not felt justified in doing so.

2157. But on the present tariff is it not worth a boy's while to learn the trade?—Yes, it is worth his time, he is going to make a common or medium class boot.

2158. And that is how you will train them up to make a better class article?—Yes

2159. Are you going to make a better class boot?—I hope so.

2160. With this same protection?—I might come to you and ask for more protection afterwards. But the present tariff gives you all the protection you want for the development which can take place in the course of the next few years, because if you start the Colonial youth to-day it will be seven or eight years before you will be able to try him on the better class goods. He would make almost as good a living on the common class boot as on the better one. I doubt whether the manufacturer would trust him with the better class boot, even after seven years' experience.

2161. *Mr. Kayser.*] Have you any objection to say whether your business has increased during the past two or three years?—No, it has not.

2162. The tariff has made no difference to your business?—Up to now I have not developed my business under the present tariff, because of the uncertainty which existed in the country in regard to its duration.

2163. You have mentioned to the Commission that you purchase most of your Colonial leather from Cape Town; we have tanners here; why don't you buy here?—Trade jealousy and prejudice.

2164. You mean to say that you are prejudiced against Port Elizabeth leather?—No, they will not supply me with the article I want.

2165. Will they not supply you with leather?—Yes, but not what I want. They will not supply me with a suitable article to make veldtschoens or boots to sell at a profit.

2166. Can they make a suitable article?—Yes, at a price.

2167. And do you mean that they have a suitable article but won't supply you with it?—Not at a price I can compete against them at. After all is said and done, the tanners and boot manufacturers do not cater for the leather trade; they cater for the boot trade, and we are practically competitors in that trade.

2168. And by that do I understand you to mean that being manufacturers they have no desire to supply you?—Exactly.

2169. They wish to tan for their own manufacture?—Yes.

2170. And you have no objection whatever to that being published?—They do not exactly decline to supply me, but they supply me in such a manner that you cannot do business with them.

2171. And that is the reason why you are forced to go to Cape Town for your leather?—Yes.

2172. In the letter you gave us it was stated that no light hides were available?—Yes.

2173. That trouble is only temporary?—Yes. But it might occur from time to time.

2174. Now you said you were in favour of the present rated duty?—Yes.

2175. And that it assists you in your business?—Yes.

2176. You made a remark I would also like cleared up; you said the first cost of the rough leather in this country was slightly higher than the Australian?—No, I said it was on an equal basis; that the Colonial manufacturer was on the same basis with his Australian competitor as far as the raw material was concerned.

2177. But you said that the first cost might be slightly higher. I was referring to tanned sole leather sold in Australia at 11d. per lb., and the Colonial tanned sole leather sold at 13d. in Cape Colony. So that if the two articles were placed on the market in London, that the Cape article would be slightly higher than the Australian. Are you aware that large consignments of hides in the rough state leave this country for Europe?—Yes.

2178. And naturally they have to compete with hides shipped from all other parts of the world?—Yes.

2179. And the local buyers to purchase and ship to compete with the hides from other parts of the world?—Yes.

2180. So we should be able to make sole leather equally as well as Australians do?—Yes.

2181. What is your experience of Australian leather. Is it superior or inferior to the Capes?—I should say it is equal where the man adopts up-to-date methods at the Cape.

2182. But you cannot buy it on the same basis here?—At the present time Australian sole leather is actually dearer than Colonial in South Africa.

2183. So that the present production of Colonial leather would be exclusively used?—Yes.

2184. You would not be required to buy Australian?—Yes, that is sole leather.

2185. And why is it we cannot get upper leather?—Owing to the fact that there is so much specialised leather used in the shoes, even when it comes to the common and medium class of goods.

2186. You consider the duty on boots and shoes should be the same as on leather?—Yes, *ad valorem* should be the same.

2187. You don't think there should be any special protection of leather?—No.

2188. And if there is any suggestion made at the next Conference to put a duty on leather, you would recommend that there be an equal increase on the imported boot?—I do not say an increased duty on boots and shoes would help them at all under present conditions.

2189. If the duty on imported leather were increased, would it add to the cost of your boots and shoes?—I think it would work out that way. With the limited amount of tanned leather in the country available for the trade, I think the tanners would have no difficulty in putting up their prices, and consequently we should have to pay an enhanced price whether we bought Colonial or imported, and the price of our boots and shoes would have to go up.

2190. And the consumer, therefore, would have to pay more for his boots and shoes?—Yes.

2191. *Mr. Scott.*] Do you find it beneficial to buy Colonial leather for your trade?—In some instances.

2192. In preference to the imported?—Yes.

2193. You showed us a letter from a Cape Town firm which stated they were able to make good leather now?—Yes.

2194. Do you think that firm, if it were encouraged to make good leather, would be able to give you a regular supply?—Possibly.

2195. I understand that firm would like some encouragement in their business, when they might possibly extend it.—They seem able to compete on ordinary business lines.

2196. They say they are prepared to try to reduce the price if they get the encouragement they want. It would not surprise you to know they would like some encouragement to place their business on a better footing?—Well, of course, everyone will take what they can get.

2197. In 1906 there was a large amount of leather goods imported into the country, leather, made-up goods, and harness, boots and shoes, etc., to the value of something like a million sterling; if these goods were supplied here it would support a large population, would it not?—Yes.

2198. And if we had a larger population it would give a larger outlet for boots and shoes?—Yes.

2199. So it naturally follows if we can encourage the population, and tanning, and make leather goods, you would benefit?—Yes.

2200. And the country generally?—Yes.

2201. *The Chairman.*] What would you call a prohibitive duty on leather?—35 per cent.

2202. That is the duty asked for?—Yes.

Albert Jackson, Manager of P. Barnett and Co., Ltd., attended and proposed the following duties on Harness, Saddlery, and Leather Goods:—

Harness for horses, mules or donkeys, or parts thereof, halters or head stalls, cruppers, martingales, leather girths, straps of every description, breast safes, hobbels, knee bands, neckbar straps, leather belts, bridles, leather purses, dog collars, dog leads, rug straps, saddle bags, wallets, valises, ox and horse reims, 40 % *ad valorem*.

Riding saddles, horse brushes, curry combs, mane combs, stirrup irons, bits, cord girths, saddle rugs, horse rugs and circingles, spurs and chains, general bag ware, whips, thongs and lashes, horse boots, fetlock rings, coupling bars, metal or wooden neckbars, bradoons or lip chains, leggings, letter bags, portfolios, school satchels, leather sporting goods, 15 % *ad valorem.*

SPECIAL EXEMPTIONS.

Harness furniture or mountings and grindery of every description, including hames, thread, hemp, pitch and wax, tools, machinery or any parts thereof, iron winker and saddle plates, trees patent or japanned leather, pigskins, collar check, saddle serge.

2203. *The Chairman.*] Are you a practical man in the trade?—Well, I am not a practical man, but I manage the business of Barnett and Co., who have been in the trade a number of years. They had always done a little harness manufacturing prior to the last Convention, but only employed a few hands, at the outside four or five.

2204. And since the last Convention?—We employ to-day thirty men on our premises, harness-makers, and besides this we give out a lot of piece work, for the simple reason that we have not room for them on our premises.

2205. The last tariff enables you to compete?—Well, we are better able to compete; it has given us a great advantage over the Home manufacturers, so much so that we as a firm did not last year import a single set of harness, but formerly we used to do so.

2206. Then why are you asking for more protection?—Because there is a great deal of American and English harness coming into the country of a cheap make trying to undersell us and are succeeding in a good many instances. Where the better class harness is concerned we can easily compete, but with the cheap labour stuff we cannot.

2207. Do you use Colonial leather to any extent?—Yes, about 50 per cent. Colonial leather and about 25 per cent. Australian, and about 25 per cent. English.

2208. Why do you use Australian?—Because it is cheaper. We can import it cheaper than we can buy Colonial of the same quality for.

2209. Is the Australian leather equal to the Colonial?—Yes. The brown harness leather we can import from Sydney at 1s. 3½d. landed here.

2210. And the Colonial leather of the same quality?—We should have to pay 1s. 7d.

2211. *Mr. Tod.*] What class are you speaking of?—Brown harness leather.

2212. Is there any questions of Australian leather being dumped down here?—I am not aware of any distinct dumping.

2213. Is the Australian leather not weighted?—No, it is just the reverse, it is very light.

2214. Then what is your reason for asking for 40 per cent. on harness and saddlery and 15 per cent. on saddles?—We do not make saddlery, and they are hardly made in the country.

2215. But if saddlers come before us and say they can make saddles and compete?—I would be quite prepared to fall in with their suggestions.

2216. And they only want 15 per cent.?—Yes. We have all tried to make saddles in this country, but it is a failure.

2217. Then as to the exemptions asked for, these small things. How are the Customs to guard against them?—The veldtschoen manufacturers and kindred industries have been importing their metal parts free of duty, rivets, etc., but when the new tariff came into force we were made to pay 25 per cent. on our harness furniture, and it was only modified quite recently to 12½ per cent., and we always looked upon this as an omission.

2218. I suppose you are aware there was a very great difficulty in getting any increase at the last convention. Won't you ask for reasonable protection rather than run the risk of losing what you have?

The Secretary.] It was only got by leaving out saddles.

2219. *Mr. Tod.*] You would rather have the present protection than run the risk of losing it by asking for more?—Yes, if we get our material in free.

2220. The things you mention here?—Yes. What we object to is this. Under the last convention it was laid down that all furniture appertaining to harness should come in for 15 per cent., whilst furniture appertaining to harness had to pay 25. Harness making is a recognised industry in this country, and is penalised, but saddlery, which is not an industry of the country is favoured.

2221. The explanation is that there was a very great difficulty in getting the protection asked for, and we did not care about sacrificing the chance of getting that by going too much into detail.

2222. You say you want 40 per cent. duty on the manufactured article, and that is assuming the present duty stands at 15 per cent. on the raw material So you want 25 per cent. to protect above?—Well, it is a little more.

2223. Seeing you have been able to do an increased business since you got this 25 per cent. duty, don't you think you are asking too much when you want to get $2\frac{1}{4}$ times as much as you have at present?—We have been successful as far as the better class stuff is concerned, on harness costing £7 and upwards, but the cheaper stuff is still entering the country.

2224. In the cheaper stuff is less labour put in? There is very little labour in it?—It is rivitted together.

2225. So it is almost like the raw article?—We have no difficulty in getting the leather, and we have the labour in the country.

2226. Don't you think if you had a difference of 15 per cent. duty on raw leather you would be in a position to compete?—It is better than nothing. We should be prepared to accept it.

2227. From your own showing, you have gained considerably through the 25 per cent., and another 5 per cent. might put you right?— Assuming that the metal parts would be imported free of duty.

2228. We have not come to them?—I think with a margin of 15 per cent. we shall be satisfied.

2229. You understand that the Commission will have to consider the leather and other things which can be made in the country on their merits.

2230. Is the bulk of the leather you use from Australia?—No; 50 per cent. Colonial, 25 per cent. English and 25 per cent. Australian.

2231. Is that tanned and alum leather?—Both, but chiefly the latter, which is greatly favoured up country, as it lasts well.

2232. You do not get alum leather from Australia?—No, it is quite a distinct Colonial manufacture.

2233. You say you do not think saddles can be made in the country?—Well, but to a very small extent, and only the very best of saddles. The saddle sold in this country to a large extent, the one which the native buys, is one which costs at Home 21s. to 22s.

2234. Is that machine made?—It is mostly hand made. There is very little machine work in it.

2235. You yourselves do not manufacture saddles?—No.

2236. *Mr. Harlow.*] You say you get a lot of leather from Australia and that it is cheaper. Have you any tanneries locally?—Yes.

2237. What is their output?—I have no idea.

2238. Could they supply you with rough leather?—Yes, no doubt.

2239. Have you ever got any leather from Cape Town at all?—I have seen samples quite recently.

2240. Does it compare favourably with Australian leather?—Yes, so far as quality, but not price.

2241. What is the difference in price?—Fifteen pence halfpenny, and 19d.

2242. How is it that these Australian leathers can be dumped here at that price?—I think because of the tariff they have built round them in Australia it assisted the tanner by giving him a chance to launch out. He has all the business of his own country, and is now in a position to export. I think the same state of affairs should take place here.

2243. Do you think, provided you got the tariff you suggest the cost of the article would be raised to the consumer?—Most certainly not. We have experience in our own business. We are selling the harness to-day at the same price as we sold it at before the last tariff came into force, excepting the slight increase of 5 to $7\frac{1}{2}$ per cent., which is the increase in the leather market.

2244. What class of men do you usually employ at this work?—White men, Malays and Cape Boys.

2245. What proportion of white men?—We have at present 10 white men, 15 Malays, and 5 other coloureds. That is on the premises. We employ about 50 at present altogether, inclusive of outside work.

2246. What rate of wages do you pay them?—The wage ranges from 45. to 65s. per week. We have apprentices.

2247. What is the white man's wage?—50s. to 55s.

2248. And now supposing this duty were put on, do you intend to raise the men's wages in any shape or form?—Yes, we would slightly.

2249. Because if you get the whole of the tariff put on which has been suggested, you would then have more money going into your pockets and nothing into the consumer's or worker's?—Not necessarily. Competition would be as keen as ever, and the prices would be regulated by the competition.

2250. Why do you want to exempt patent and Japanese leather?—Because it is not tanned in this country.

2251. Is there a great amount used?—Only a very little.

2252. It would not affect the harness in any shape or form if duty were paid on it?—No, but it has always been exempted.

2253. Then pigskins and goatskins. Why do you want them exempted?—They have always appeared in past tariffs as being exempted, and we have repeated the list.

2254. *Mr. Tod.*] They are wanted to make saddles?—Yes.

2255. *Mr. Harlow.*] But they are being tanned in the country?—I have not seen any.

2256. I suppose you would not suggest putting a tariff on Australian leather?—Well, why particularly single out Australian leathers.

2257. Because, you see, you use such a lot?—I don't see why. You might put a tariff on the English as well.

2258. Well, we will say any leather from oversea?—Yes, I would be quite satisfied with that.

2259. Provided you were satisfied the leather could be produced here?—Yes, certainly.

2260. *Mr. Tod.*] Of course you are not in any way a practical tanner, and you cannot tell us the cost of making these things?—No, I know nothing of that.

2261. *Mr. Pyot.*] The present duty on harness is 25 per cent., and you say your business has been increased since the last Customs Conference?—Yes.

2262. Then why is it necessary to have the 15 per cent. you suggest to-day?—We think we might increase it more. There is still a certain amount of saddlery and harness imported into the country, the cheaper lines, against which we cannot compete.

2263. Cannot you suggest a differential tariff on this stuff, instead of suggesting an increase all round?—The stuff which hurts us most is the Yankee.

2264. Is it made by free labour?—I cannot say, but there is a lot of single harness imported which costs about 4 dollars 50 cents.

2265. Cannot you suggest some way to prohibit this coming in?—No.

2266. You say rough tanned leather imported for dressing should be exempt. Why?—This is really suggested by the tanners themselves.

2267. But you must be aware we produce a tremendous amount of hides in this country?—Yes, but not all of them are suitable. You cannot produce certain hides in this country. We generally get a heavy hide in this country.

2268. But if you put on 40 per cent. would you not use the lighter hide produced in this market?—The hides which generally come into the market are always heavy, because we get a heavier sort of slaughter animals. It is the lighter leather which is required.

2269. Don't you think it is possible?—It may be, but it never comes into the market. The farmer never likes selling the young animals.

2270. Don't tanners have splitting machines?—Yes, but the moment you split the hide it is not the same thing any more; it is a different class article.

2271. So it is absolutely necessary this rough tanned should come in?

Mr. Tod: I can tell you if you admit rough leather free you can bring in all the harness under the description that it is in a rough tanned state.

2272. *Mr. Pyott.*] But while protecting yourselves you forget the farmer who produces the hide?—But the farmer can sell all the hides he can turn out.

2273. Why sell them to any country when we can deal with them in the country and retain the manufacture of the leather here?—I am not very well versed in these matters. It is a suggestion which comes more from the tanners and veldschoen makers than harness makers. As far as we are concerned, you can strike that out.

2274. You say you do not get tanned pigskins in this country?—I did not say that. I said I had not seen any.

2275. I suppose you bear in mind that we require some revenue in the country, and the more heavily we tax articles the less revenue we are likely to get?—Yes, but the money will be kept in the country.

2276. Just so, but we have to raise revenue. Don't you think it possible to make hames in this country?—I should not think so. I do not know much about that, but in going through the tariffs of the world I find hames are imported into Australia, Canada, and Newfoundland.

2277. As to the 15 per cent. *ad valorem* list, is it not possible to deal with these goods in the country?—It is hardly possible, they are industries of their own, which take years and years to work up. People in this country who go in for a great deal of saddlery consider it quite impractical to tackle these things.

2278. But seeing we have hides in the country and tanneries, surely it is possible to take up the making of these articles?—It will take a number of years.

2279. But is it not as easy to make a pair of leggings as a set of harness?—There is a big diffeeence.

2280. *Dr. Viljoen.*] Have you consulted the saddlers of Cape Town or the rest of the Colony?—No; I am only representing the local people.

2281. Of course, you are aware that the saddlery business of Cape Town is very large?—Yes.

2282. Larger perhaps than Port Elizabeth?—I am sure it is.

2283. Has your cost of production increased during the past year—I mean on making a set of harness?—It has not to my knowledge.

2284. Has it decreased?—No.

2285. Is labour any cheaper than 18 months ago?—It may be a little cheaper.

2286. So there is a small reduction, notwithstanding which you propose to increase the duty?—Yes.

2287. So that the additional difference will go to you and not the people?—It will give us the cheaper class of trade as well.

2288. But assuming you get the increased duty, the difference you then make in profit will go into your pockets?—I think that is regulated by competition.

2289. I do not know how it is regulated. The cost of production is less, and you want more protection. It is not given to the workman. It must go somewhere?—I think the consumer will get the benefit of it. The prices of these articles are regulated by competition. We have not got it all our own way. We keep out the foreign goods, and capture the market. The price must necessarily be regulated by competition.

2290. But you propose to exclude competition?—There is plenty of local competition.

2291. You use 50 per cent. of Colonial leather at present. Do you know anything about tanning?—No.

2292. Would you be surprised to hear that all the materials are produced in the Colony to such an extent that some are exported.—I am not surprised.

2293. Bark, for instance, one of the principal items, is exported very heavily, about £100,000 worth a year from Natal, and we have very seriously considered the exportation from the Western Province. Then we have the skins here and the lime. Why do you only use 50 per cent. of Colonial leather?—I have already explained that, because it is more expensive. It is only certain leather we can use at present.

2294. In your opinion, if the tanner is practical, would he be able to procure sufficient hides in the Colony for his requirements?—That would depend on the state of the agricultural conditions. Of course, we have had times like the rinderpest, which swept away nearly all the cattle.

2295. Then you had the skins?—But there were none to follow.

2296. Assuming you get this additional protection, do you think the manufacturers would voluntarily raise the wages of their workmen?—Well, I should not like to answer that question haphazardly, because we have not been placed in that position.

2297. Do I understand you to advocate additional protection on such iron parts as are utilised by yourselves, and you are not particularly anxious to protect the iron ware in connection with saddlery sold by merchants?—Yes, we are not particular what duty is put on.

2298. You advocate additional protection for these iron parts which saddlers require as manufacturers, and it is immaterial to you whether the merchant selling similar articles is protected or not?—I do not understand "similar articles."

2299. Bits and stirrup irons?—Yes, but we have to pay the same duty on these bits we supply in our harness. We only require exemption on buckles, etc., appertaining to harness, which, by some unaccountable error or oversight, was omitted at the last Convention.

2300. A considerable part of your leather is imported from Australia?—Yes.

2301. Do you know there is a preferential tariff in Australia as compared with European goods?

The Chairman.] As against the American.

2302. *Dr. Viljoen.*] All non-British 3 per cent. preferential duty. If that 3 per cent. was imposed, and Australia had to compete the same as any other non-British country, would that affect you?—No.

2303. So far as you are concerned, the 3 per cent. exemption does not benefit you?—Not to any extent.

2304. *Mr. Kayser.*] Do you mean to say the effect of getting Australian leather into this country at 12 per cent., as against American at 15 per cent., does not affect you, and make it possible for you to sell Australian cheaper?—Yes, it is bound to affect us to the extent of 3 per cent.

2305. But you said it did not. The question I thought was whether this preference was of any advantage to British Colonies?—Then I misunderstood it. I thought it was meant to convey that putting 3 per cent. on the Australian stuff would benefit the Colonial article.

2306. Is it then a benefit?—Decidedly, to the extent of 3 per cent.

2307. And you are in favour of the preference being continued?—Yes.

2308. If you are forced to get the article from America you have only to pay 3 per cent. duty?—Yes.

2309. The present duty on harness is 25 per cent. and on harness fittings 15 per cent.—Yes.

2310. And your proposition is that harness fitting should be admitted free, and the duty on harness be increased?—Yes, that is what we are asking.

2311. In other words you want 45 per cent. protection?—But the fittings do not constitute much. I should have to strike an average from tin to solid nickle.

2312. Would the fittings amount to 7½ per cent.?—No.

2313. Five?—No, about 2 to 2½ per cent.

2314. Then is it worth asking for? The manufacturer must contribute something to the revenue of the country. You are asking that everything shall be admitted free and that competition from oversea shall be practically taken away altogether. I ask you would you not be satisfied if you got the 40 per cent. wholly on harness and the 15 per cent. remain?—Well, if we had no other alternative we should be satisfied. But our point is why should we be singled out from all other manufacturers, who get their raw material in free of charge, and also the parts they use in their work, and we be penalised to the extent of 25 per cent. until recently and now to 15 per cent.

2315. Is it not possible that some of the articles used by other manufacturers could be manufactured in this country?—It is impossible. The veldschoen maker gets his rivets free of duty.

2316. You were good enough to say that before the present tariff came into force you were employing four or five men in your factory and to-day you have more?—Yes.

2317. How many more?—Thirty on the premises and 15 outside.

2319. And I understand you to say that your price for harness is much the same as before the duty was put on?—Yes, it is a little higher, accounted for by the increased price of leather.

2320. It would not have increased under ordinary conditions?—No.

2321. And practically the imposition of the 12½ per cent. at the last Convention has enabled you to secure the trade you wanted?—Yes, practically speaking, except the cheaper lines.

2322. Why then ask for an extra 15 per cent.?—To secure the rest of the trade.

2323. Your object being that no goods shall be imported?—That can be made in the country.

2324. Every manufacturer who comes here says the imposition of extra duty will not result in extra cost to the consumer. Can you explain why?—We used to make two or three sets of harness of a particular kind, and now we are putting out thirty or forty sets, and it stands to reason that you can deal with larger quantities at a lower rate than you can small quantities.

2325. Before the Convention came into force foreign harness was entering into competition with you?—Yes.

2326. You have managed to stave that off, but you have not reduced your price?—No.

2327. Is not the consumer paying the difference in duty? What I mean is that the consumer was paying £5 for a set of harness before the tariff came into force, and you were charging £5 10s. for a similar harness. You say you have not made any alteration in the price; therefore the consumer is paying £5 10s. instead of £5.—It has not affected our price.

2328. The consumer was paying originally £5. The Government comes along and puts a protective duty on, which enables you to sell at £5 10s. Is he not therefore paying more for his harness?—He may be getting a better-class harness.

2329. But you are taking him at a disadvantage. I ask you if that is not common sense?—He pays more certainly, but he gets a better quality set of harness.

2330. He pays 10s. more?—Yes, and probably saves 20s. by doing so.

2331. At any rate, the consumer is paying more by 10s.?—Yes.

2332. He may be getting a better quality article, but I am glad you have been fair enough to admit the result is an increase in the price to the consumer. My other point is this: is it not a fact that on a level basis people prefer the Colonial harness?—To a certain extent.

2333. Is it not the one trade in the country in which the consumer will prefer the Colonial article—at any rate, one of the trades?—The consumer prefers the Colonial article, but the merchant does not.

2334. Naturally. The farmer prefers the Colonial article?—Yes.

2335. And will pay you a little more for it?—Yes, but a lot of the stuff sold to him as Colonial is imported from other countries, and we are being undersold.

2336. Then, of course, that is a fraud; that is the dishonest trader. You said that alum harness is only made in this country?—Yes.

2337. What proportion of your trade is alum harness?—[illegible] per cent.

2338. So that you are only using Colonial leather in alum harness?—Yes.

Mr. Tod.] It is a matter of the climate more than anything else.

Witness corrected his answer by saying the percentage of alum harness was about 25 per cent.

2339. *Mr. Kayser.*] So you really use in your brown harness about one-third alum?—Well, I would split it into four, a quarter alum.

2340. Will you tell us why the Colonial tanner wants more for his article?—Because he does not get large quantities of trade.

2341. Why?—Because of the imported stuff coming into the country.

2342. You would not be prepared to pay more for Colonial leather?—My patriotism would not go as far as that. I do not mind giving the Colonial man a preference—in fact, I have done so. I have gone to them and said, "This is the stuff I am able to import. What can you supply it for?" But he has not been able to do it.

2343 Then you made use of the term dumping. What do you mean by that?—I will explain. A little while ago we imported stuff from Australia, and had to pay the freight of 55s. per ton. Another boat shortly afterwards was coming here, for which certain shippers had undertaken to take a certain space. They found they could not fill it, and offered freight so much cheaper, 20s., in fact, and at that rate leather was shipped to this port by people who took advantage of that cheap freight, and by that means they were able to dump a lot of stuff down here, taking advantage of the low freight, which otherwise they would not have been able to do.

2344. That is a local firm?—They are agents.

2345. In other words they imported that leather because of the cheap freight?—Yes. I am inclined to think they did that on their own account, taking advantage of the low freight. They are not business people, but agents only.

2346. You think it was consigned?—Yes.

2347. Dumping, as I understand the term, is the consigning of goods by a manufacturer to another market because he cannot get rid of them in his own country, to prevent him having to sell them at a lower price in his own country which he does not mind doing in another country?—Yes, I have been buying such goods.

2348. Will it be kept up?—I do not suppose it pays them in the end; but these things have been done and a lot of stuff has been dumped down here.

2349. We only get a monthly steamer?—Sometimes a fortnightly one.

2350. But it is an irregular service?—It is hardly that.

2351. You say there is a certain amount of dumping from Australia. We can find that out from the Customs.

2352. As to the cheap sets of harness, 15s. to 16s., which you say come from America, are they leather or brown paper?—Leather.

2353. You would not like to make that article?—No; it would not do us any good: but the people on the other side do not care.

2354. But no protection in the world is going to stop that until you put a minimum figure of so much per set of harness. Do you think it worth while bringing up an article of that kind: it is surely not used much?—It is used for driving the very light traps.

2355. And it is sold here at?—About 40s.

2356. What does it cost to import that?—Well, I am not importing it.

2357. But you made the statement that harness which cost 15s. to 16s. on the other side of the water was selling here at 40s. Does it cost 100 per cent. to import?—It would cost about 60 per cent.

2358. Do you know harness is being shipped at that price?—I do not know whether it can be bought to-day at that price, but I have known it.

2359. I have never heard of harness being bought at 3.75 to 4 dollars per set. Would you care to alter that answer?—We had been importing before the tariff was altered as low as 4.50 dollars: it was very cheap stuff.

2360. There is just one point that Dr. Viljoen asked you. You say the cost of production has not decreased. Is that the cost of labour?—It includes everything, labour, rent, material, etc.

2361. I expected your reply to that question to have been yes, because your claim has been "Give us increased protection and we can decrease the cost."—The term production is a very elastic word.

2362. The cost of the article to you has been reduced, but you have not reduced your prices? In some instances we have.

2363. Who has got the benefit of that tariff?—The workman, who gets work instead of being idle.

2364. *Mr. Scott.*] There is a very large amount of saddlery and harness imported into the Colony?—There is still.

2365. I have the returns here. Something like £43,185 worth was imported in 1906.

2366. Can the whole of that be made in this Colony?—The term of harness and saddlery is rather vague. There are a number of articles which can never be made in this country, at any rate for some time to come, for instance, there are such items as horse brushes, curry combs, mane combs, stirrup irons, bits, girths, etc.

2367. Do you know what duty the tanner wants on leather?—I have no idea.

2368. You said you would be satisfied with 15 per cent. over the tariff. In other words supposing the tanner wanted 10 you would be satisfied with 25?—Keep a margin of 15 per cent.

2369. You are now asking for 40. In 1903 you had 10, and the present duty is 25. Supposing the tanner wanted 20 you would require 35 per cent.?—Yes, we would be satisfied with a margin of 15.

2370. You stated that the cost of production had decreased. Would you explain that clearly?—Because of the increased business put in our way.

2371. It naturally follows, as all practical manufacturers know, that if you have a larger turnover the cost of production is bound to decrease. But have your expenses gone up, rent, taxes, salaries, and wages?—I don't know how you would wish me to answer that. In speaking of the cost of production I take it we include only the expenses of producing a certain article. These have decreased.

2372. But the general expenses of your establishment have increased?—Naturally, the expenses of our business have increased with the increased business.

2373. But it is generally felt that taxes have increased during the last two or three years, as well as salaries?—That is not our experience.

2374. You mention that leather purses should have a duty of 40 per cent. What kind is that?—You are touching a very delicate matter now. I was not in favour of putting these items on the list, but it was the wish of the majority of manufacturers in this town that they should be included.

2375. Then you come to the 15 per cent. *ad valorem* duty on curry combs, stirrup irons, bits, etc. What is the present duty?—That is the present duty.

2376. Don't you think that the duty might be reduced there a little?—Well, it would not affect us either way; it is the same to everybody.

2377. You say you only use 50 per cent. of Colonial leather?—Yes

2378. Is it not possible to get all the leather you require in the country, except the fancy leather?—Yes, with very few exceptions.

2379. Can you tell us why the tanner has not managed to produce more leather to suit your requirements?—I think that is out of my province.

2380. But, on the other hand, if you had a larger production of business you would use more Colonial leather, which would benefit the farmer.

2381. You are quite certain that ultimately increased protection would decrease the cost to the consumer?—Yes, competition would bring it down.

2382. Other factories would start up?—Yes.

2383. And Home factories might be brought out here?—Yes.

2384. And then the consumer would get the benefit?—No doubt.

2385. Supposing the duty you ask for is put on, how long should it remain?—So far as we personally are concerned we are not waiting for a 30 or 40 per cent. duty, but a stationary duty. I would no more launch out and invest money now because of the continual fluctuations in tariffs in the past.

2386. How long should the duty remain to be beneficial to your industry and to the country?—Ten years, which would enable us to launch out and build factories.

2387. I would like to know a little about dumping. Is there much harness being dumped in the Colony?—No.

2388. It is not fair even to the merchant to have this dumping done?—He certainly suffers.

2389. And it is not desirable?—Certainly not.

2390. Do you find that the imported leather is sometimes weighted with foreign matter, put into it to make it weigh heavier?—Oh, yes.

2391. And still you use 50 per cent. of it, take an English and Australian?—The manufacturer buys leather which is not weighted.

2392. As to the exemptions now in the 15 per cent. list, don't you think it would be wise to leave them there? If you get the additional increase you can easily afford to let the duty remain; you see we want revenue for the country?—If we could get a slight increase of duty on harness we would be prepared to leave the furniture where they are now.

2393. You have been able, at any rate, to employ a larger number of men than two or three years ago?—Ten times as many.

2394. And you think that number could be increased?—Yes.

2395. And that is one of the benefits which would accrue through a larger amount of harness being produced in the country?—Yes.

2396. *Dr. Viljoen.*] Do you want the tariff fixed for a period of ten years?—Yes.

2397. Assuming, after the expiration of that period there is an alteration in the tariff by a ruduction of same, you think you would be firmly enough established to withstand any such reduction?—Decidedly, without doubt.

2398. And have you been affected in your trade by any preference over the Colonial railways?—It has affected us, but only to a very small extent, because our stuff is not weighty.

2399. Do you approve of preferential railway rates?—I approve of it, but I would rather see it waived entirely to benefit the Transvaal and O.R.C. if they want to start industries there.

2400. *Mr. Pyott.*] You said the farmer prefers the Colonial-made article in harness; why?—Because it has better wearing qualities.

2401. But it does not look quite so well.—We can turn out as good harness here as anywhere.

2402. *Mr. Tod.*] Can you tell me the average value of a set of Colonial harness?—£7 to £8.

2403. How much is represented by the material and wages?—Roughly, three-fifths material and two-fifths labour.

2404. *Mr. Harlow.*] You said you would have a certain amount of reservation in stating that wages would be raised, provided that you got the advantage of the tariff?—I stated I would not be prepared to state what would take place.

2405. Assuming competition got keen, you would not have any compunction in saying it would not raise the rate of wages?—I daresay it would.

2406. Would the workman benefit?—Well, he would get work that otherwise he would not get. As a matter of fact, I could put on a hundred men to-day, and possibly have an outlet for our stuff, but I am afraid to launch out, because I do not know what tariff we may get.

2407. Your rents have increased?—Ours have not.

2408. *Mr. Kayser.*] Would there be any objection to showing the Commissioners over your factory?—I should be only too pleased to show them over.

Tailoring and the Manufacture of Wearing Apparel of all descriptions.

Herbert Longworth, representing the Master Tailors' Association, was called to support the following suggestions:—

> "TAILORING.—That Government be asked to impose a duty on all ready made clothing of 5 per cent. excepting from 20/- and upwards per suit of 3 garments; in case of single garments, Jacket or Coat half, Vest quarter, Trousers quarter—say 10/-, 5/- and 5/- respectively, and upwards when a duty of 60 per cent. be imposed. We strongly maintain the above will reduce the cost of the poor man's clothing, and will be the means of employing double the men at present employed at the Tailoring trade."

2409. *The Chairman.*] You represent the ready-made clothes tailoring department—I represent the Master Tailors' Association.

2410. You know the objects of this Commission?—Yes.

2411. Is this the gist of the evidence you are going to give?—Yes, that is the proposal they make of a duty on ready-made clothing.

2412. For instance, you would say the duty on the cheapest clothes would be 20s.?—No, I think 5 per cent. up to 20s. in value.

2413. Then you propose that certain garments should pay: Trousers, 10s.; coat, 10s.; and vest, 5s.?—Yes. Under 20s. in value 5 per cent, and upwards in value 60 per cent.

2414. To put the meaning on it it means on cheapest suits of clothes that you propose to put a duty of 20s.?—It is not meant to read that way, but 5 per cent. on clothing 20s. and under, and above that figure 60 per cent. duty. They want protection against the bespoke tailoring. Their object is that working-men and people who don't buy tailor-made clothing should have their living cheapened. That is the idea.

2415. Then you propose a duty on ready-made clothes which at Home cost 19s., should be 1s.? Yes.

2416. And the duty on suits costing over 20s. should be 60 per cent.?—Yes.

2417. Don't you think it would lead to fraud?—You must draw the line somewhere, and you cannot draw distinction between ready-made clothing and bespoke tailoring orders taken for suits. The Customs officers are quite capable of dealing with any fraud.

2418. Do you think it possible for the Customs officers to distinguish between the value of a suit costing 18s. and one costing 21s.—I know it is rather difficult, but I think it is quite possible.

2419. Then you recommend that?—Yes.

2420. You say the object of it is to protect the Colonial tailors?—Yes.

2421. By shutting out orders for bespoke tailoring?—Yes.

2422. I only raise the question whether it is possible to carry it out?—I think it is. There might be cases in which a few suits slip through without being detected, but in the main I think the Customs authorities have a pretty good knowledge of the value of these things.

2423. Then your idea would be that working men take clothes which cost less than 20s. at Home?—Yes, working men suits cost on an average 11s. or 12s. a suit at Home.

2424. Do you propose 60 per cent. duty on clothing for them?—Of course, in a matter of this kind you must draw the line somewhere; it is rather difficult to know where; but these 20s. garments ought to include anything which the working man ought to have.

2425. What I want to get clear is what is a workable scheme; of course, we should have to consider whether it is workable after we have taken evidence and when we consider our report?—Well, I may say, I have no special knowledge of ready-made clothing, but from all the enquiries I have made, I think this could be worked.

2426. Can you tell us how it would affect the price of things here? Do you know the rate of wages here for tailoring?—I have here a document I will read:

> "The number of employees engaged in Tailoring Industry in Port Elizabeth is 200, average earnings per man 50s. per week. This being well inside the mark. All these are working under fair conditions of labour, and as far as we can trace there is no sweating as the term is generally understood. In 1904 a Commission sat in Cape Town, when the South African Master and Foreman Tailors' Association placed a volume of evidence before the Commission, part of which may with advantage be quoted here. Their strong point was: That an industry capable of supporting such a large Industrial population (Cape Colony 2,000) should be accorded some form of protection against unfair competition from without. On the contrary, however, low priced bespoke order and ready made garments are admitted at the same rate of duty as raw materials (woollen and trimmings). Almost without exception these slop garments are made under the worst conditions of 'Sweating' in Britain and elsewhere. The figures we are unable to get at such short notice. The effect of these enormous importations is undoubtedly to restrict the industrial growth of this Colony. Here alone I beg to submit we have a very substantial grievance. One of the most exhausting sources of leakage through which the tailoring trade of Port Elizabeth is drained is the system of so called bespoke tailoring. Under this system large factories abroad appoint agents in every dorp and on many farms in South Africa, with extensive range of samples, to scour the country to take orders for suits made to measure and delivered with great celerity. As these suits upon arrival at our ports enter under the same conditions as our raw material and as the ordinary licence for manufacturers' agents (rarely taken out in these cases) is not felt when spread over such a large volume of business, this system of 'Bespoke tailoring' constitutes a most dangerous enemy to this branch of Colonial Industry. In Australia and New Zealand our fellow tradesmen are protected by something like 40 per cent. duty and there this 'Bespoke tailoring' scout is absolutely unknown. We have therefore every confidence in asking Government to give us what is embodied in our resolution on the foregoing evidence.' I may add that the tailors do not suggest any alteration in the duty on woollen goods and trimmings, knowing that revenue is required, and they don't ask for that to be altered. In New Zealand tailors' trimmings are admitted free; in Australia I believe the duty is 5 per cent."

2427. *The Chairman.*] Have you any Trade Union amongst the men which fixes the rate of wages?—Well, that I am not able to say; I can get that information, and I couldn't get information here at such short notice the number of bespoke suits which are imported; it is, of course, difficult, because a lot of the goods are imported in cases by agents; but from 150 to 200 suits are known to be coming to Port Elizabeth per month by Parcel Post only.

2428. Then don't working men use these suits?—Well, they may do.

2429. Is not the class of cloth which costs less than 20s. per suit at Home used principally by natives?—I should not think so. The bespoke trade, so called, is really factory-made clothing.

2430. But the bulk of that does not go below 20s.?—No. These are the garments for 20s. which interfere with the ordinary tailoring business.

2431. Take the class of workmen we have, they get better suits which come under that class, and your proposal would not cheapen their clothing in that respect?—As a matter of fact, it is protection to many people, who don't know what they are geting, who are paying exorbitant prices for bespoke tailoring, which is no better than ready-made clothing.

2432. It is ready-made clothing?—Yes, but I know they are paying prices which are not really warranted, I know from experience. A tailor in Johannesburg told me that he had a commission offered him of 20s. per suit for this class of suit.

2433. But are you not getting protection by the profits of this man?—No, I mentioned that to show that the garments sold are imposing upon the people; it is no kindness to them, they had better buy the ready-made article.

2434. Does your suggestion apply to South Africa generally?—Yes.

2435. Supposing it was considered advisable to recommend this duty, you would not recommend that these rates should be adopted, if the other States would not agree to them? You would not insist on this duty, and break up the Customs Union?—I take it that is the thing which has to be worked out with the other States.

2436. Even the tailors of Port Elizabeth would not insist on these rates if they would tend to break up the Union?—Oh, no.

2437. Do you know the Canadian rates? According to the report I have here they are 20 to 25 per cent.?—I do not know the Canadian rates, but I know the Australian and New Zealand. They are 40 per cent.

2438. I have seen a suggestion made in Cape Town that tweeds should come in at 20 per cent. and ready-mades at 25 per cent.?—I have seen that proposal, but I think this is a superior one.

2439. *Dr. Viljoen.*] Did I understand you to say you have 200 Europeans here employed in tailoring?—I don't know whether they are all Europeans or not; there may be some Malays amongst them.

2440. Can you tell me how many Europeans out of the 200?—I cannot without making enquiries. I asked the tailors about this, and they told me that the Malays who are employed here are working for just the same rate of wage as Europeans, and under this circumstance they consider them just as good citizens.

2441. And the Malay is put on the same footing as a European?—Yes, his work is quite as good.

2442. I am not questioning his work. What is the duty on manufactured clothing?—15 per cent.

The Secretary.] British 12, Foreign 15.

2443. *Dr. Viljoen.*] Do you know anything about the trade in Natal?—No.

2444. Do you know Kaffirs are employed in Natal to make clothes for the Rand?—I was not aware of that.

2445. Would you be astonished at that?—I should not wonder at Kaffir women being employed in that capacity, but I have never heard of it. There are no Kaffirs employed in Port Elizabeth.

2446. If your suggestion is adopted, of course, it would apply to the whole of British South Africa, to the area of the Conference. Would you not then have to compete against the cheaper labour of Natal?—Well, of course, tailors don't mind competition. I don't think it would interfere with this arrangement at all. I don't think a man in Port Elizabeth would go to Natal for his clothes because it was made by natives a little cheaper.

2447. Cannot Natal make it cheaper than you can?—That is a point I am not informed upon. This is the first time I have heard of Kafir labour.

2448. Do you know that coloured labour is cheaper in Natal than here?—I have no knowledge of it.

2449. If it were cheaper it would very seriously compete with you?—Yes, I suppose it would in a way.

2450. Do you think by raising the tariff you are going to get more employment for the European labourer?—Yes, certainly; that is the idea. When you refer to coloured labour you mean Malay?

2451. Yes?—I can find out what quantity of Malay labour is employed here if you want that information. I may say that it was only the last day or so that the tailors went into the matter, and naturally their figures are very crude.

2452. And you think the ordinary European labourer in this country wears clothing that would fetch under 20s. per suit?—Yes.

2453. *Mr. Tod.*] Did you have a meeting of those interested in the trade?—Yes.

2454. You have told us here that the duty in New Zealand is 40 per cent.?—Yes.

2455. That is on the manufactured article?—That is on bespoke tailoring. On ordinary cloth I believe the duty is 25 per cent.

2456. You know the New Zealand tariff on cloth not worked up is 25 per cent.?—Yes, 20 or 25 per cent.; but the trimmings and Manchester goods are admitted free.

2457. That leaves a protection to the New Zealand worker of really 15 per cent. as against the foreign worker?—Yes.

2458. Because you say the duty on the raw material is 20 per cent., that gives him the protection I mentioned?—But you do not take into consideration that trimmings are admitted free.

2459. I do not think there is anything admitted free under the New Zealand tariff; there is nothing free—I think you will find I am correct.

2460. *Mr. Kayser.*] They were admitted free in the last tariff?—That would make a difference in the price of the article of more than 5 per cent.

2461. *Mr. Tod.*] What I want to get at here is that you recommend a duty of 60 per cent, and the present duty on the cloth would be 15 per cent.; therefore you want a protective duty on labour alone of 45 per cent.?—Yes; but, on the other hand, we only propose a duty of 5 per cent. for the lower classes of goods for the labouring man.

2462. But you have taken a very low value of 20s. per suit. The present duty is 2s. per garment, making 6s. per suit of three garments. We all know that the great bulk of these second-hand garments are used by natives, and it is practically the only means we have of reaching the native?—But this proposal is not meant for second-hand suits.

2463. The revenue would lose enormously by this alteration?—Yes, but the loss would be more than made up by the duty on clothes over 20s.

2464. It seems to me that the New Zealand labour is protected to the extent of 20 per cent., and with the trimmings coming in free, another 5 per cent. What would be the value of the trimmings on a suit of clothes sold at £6?—Roughly speaking, about 10s.

2465. That is only one-tenth, about 5 per cent. I cannot help thinking from what appears here that you are asking a protective duty for labour at least 20 per cent. more than they have in New Zealand under their tariff. Can you adduce any argument why the European workmen here cannot work for the same protective duty as they have in New Zealand?—There is no proposal here that the duty on raw material, woollen goods, and trimmings should be reduced at all.

2466. That amounts to 15 per cent., but 60 per cent., and that means a difference of 45 per cent. for labour only?—Yes, but you must remember the difference between the workman here and the sweated labourer at Home.

2467. You maintain that the workman here must be paid 45 per cent. more wages than the workman in England?—Yes, the tailor cannot compete with a less difference, as he has to contend with factory-made clothing.

2468. What is the approximate value of labour in a suit of clothes worth £5 or £6?—I cannot say without getting the information; I am not a tailor; I am a woollen merchant, but the tailors asked me to represent them. I can easily make a note of that and get the information.

2469. You say you propose 60 per cent. duty, and you are making that duty apply not merely to the work put into the cloth, but also to the value of cloth?—Yes.

2470. You say a ready-made garment can be made at Home for a few shillings?—A pair of trousers used to be made for 11d. to 1s.

2471. But surely this clothing for which orders are taken throughout the Colony on behalf of English firms is not made up at the price mentioned?—It is factory-made clothing. I cannot say they would not put into it a little bit of better work than in a suit which only costs 11s. But the fact is it is factory-made and not tailor-made.

2472. Are the people in this Colony so ignorant that they cannot tell the difference?—Unless you have some special knowledge; I don't think the ordinary men would know the difference.

2473. *Mr. Harlow.*] You are not a practical tailor?—No, I am not a tailor at all.

2474. Can you give any information as to the conditions tailors work under here; I mean as to the workshops?—I believe under very favourable conditions indeed.

2475. What I want to know is, are they employed on the premises of the master-tailor himself, or do they provide factories?—In most cases the work is not put out.

2476. You made an assertion just now that the native (Kaffir) is not employed in this trade?—Not in Port Elizabeth.

2477. But supposing the tailor sends his work out, how is he to make himself aware of that class of workman is employed, or the conditions under which the work is done?—Well, I think, in most cases, suits are made in the masters' workshops, and they have access to their men, and can see what they are doing. I don't know any place in Port Elizabeth in which this is not so, but I would not be certain that there are no cases in which the garments are not sent out to be made.

2478. Do you consider 50s. a fair wage to pay a working tailor in Port Elizabeth?—It is a matter of supply and demand; they cannot afford to give them more, owing to the price of raw material, which has gone up during the past twelve months from 20 to 25 per cent., and the master-tailor is getting no more for his suit.

2479. You are confident of that?—I am certain of it.

2480. Can you tell us what a tailor pays for the making of a coat in Port Elizabeth?—That I am not aware of.

2481. Do you think there would be any objection to raising the tariff to 15 per cent., for revenue purposes?—Well, the tailor's idea was, by having a low tariff on the lower priced article, it would enable the workman to have a chance of living cheaper here. Their idea was, they would be serving the ends of the Government and the poorer working class.

2482. You still use the word workingman. I don't understand that term. Do you refer to white men?—Yes, I do not refer to natives. I call a workingman one who ought not to go to a tailor for his clothes.

2483. Can you give any explanation why he should not come when he earns 50s. per week?—That is a large question; I cannot tell what his family is or what rent he pays, but there are certain conditions under which a man earning under that money is not justified in going to a tailor and ordering a £5 suit.

2484. When a man is paid 50s. per week, you don't inquire into his domestic affairs, but you think he is justified in buying a suit at 25s., and therefore debar his employer from a certain amount of his income?—I have not thought of it in that way. This idea is not for the working tailor alone, because the numbers are so small, compared with the labourers in other departments. Many of these working tailors would be able to make their own clothes, and therefore it does not apply so much to them as to labourers in other departments of life.

2485. On bespoke orders what was the tariff you suggested?—Sixty per cent.

2486. And you would put every article made of that description in the class of 60 per cent. duty?—Well, it is so difficult to draw a distinction between ordinary ready-mades and what are called bespoke orders.

2487. But you are no doubt aware that a great many of the higher-class professional men in Port Elizabeth and throughout the Colonies send Home to their own tailors for clothing to be made—suits of the value of £6 or £7, cost price in England? Would you class them in the same category as bespoke orders, which are forwarded from this side to cost about £2 10s.?—The professional men who send their orders can afford to pay 60 per cent. duty. They are not the class of men the tailors here would study.

2488. But would you suggest having the same tariff on the one as you would on the other?—Yes, I do not see where you can make any distinction. It would induce the man who now sends Home for his suit to order it here.

2489. Do you think it would be possible for a practical tailor to come along and give us any information?—Yes, any time you like. They suggested to me I should come, but I did not think questions of the kind put to me would be asked. They would be very glad to come and give evidence. I was specially interested in the manufacture of cloth, and they thought I might be able to give evidence they might not be able to.

2490. Do you think, providing that some English-made cloth were introduced free of duty it would be the means of raising the status of the industry at all?—It would help i tto a certain extent, but the tailors realise that the Government requires revenue, and have not suggested anything of that kind.

2491. But would it raise the status of the industry at all?—Yes, it would; it would be an incentive to the community to have the work done in the Colony.

2492. *Mr. Pyott.*] What is the cost of this bespoke tailoring you speak of landed in the Colony?—Various prices.

2493. Can you give us the lowest to the highest?—I have not these figures before me at all, but they range from 30s. to £5 or £6.

2494. *The Chairman.*] You can take the minimum about 20s.?—Yes.

2495. *Mr. Pyott.*] Supposing you have a bespoke tailor here selling suits at 19s., what are you going to do in that case?—Well, if you think the goods do not cost more than that I don't see that there is any remedy; but if you make the limit 25s., you would have the same difficulty with clothes at 24s. 6d.

2496. The question we have before us is the protection of the labour of the tailors?—Well, a garment at that price I don't think would affect the tailoring trade.

2497. You say bespoke suits cost from 20s. to £6. In the one case you are paying 12s. for a suit costing over 21s., and in the other case you are only paying 1s. And then you go on to the man who is paying £6, and to put a duty of 72s. on his clothes, is that reasonable?—Well, you must have a dividing line somewhere; I

2550. Do the farmers wear ready-made clothing?—If you mean bespoke clothing, they do to a great extent, but after they have had one suit they are very chary of having a second one; but a new agent comes along, and they are talked into another, and induced to try again.

2551. Do you not think that an all-round tariff of 12 or 15 or 20 per cent. would be better than your proposal of 60 per cent. and only 5 on a suit costing 20s.?—I think 20 per cent. would not help them.

2552. Well, of course you are not a practical tailor; it would be better if we had someone with more experience. Do you make any suggestion as to men's and women's underclothing, which could be made in a colony like this?—I have no knowledge of that.

2553. And you make no suggestion as to uniforms for postmen and the various men in the Service?—No, that has not been suggested.

2554. *The Chairman.*] Do you think this suggestion of yours, if carried out, would benefit the tailors in the Colony?—I do.

2555. Don't you think it possible that you will have men with capital coming out here and erecting factories and employing native labour to make these things?—I do not think so; but then in that case, if factories were opened here and labour were employed it would benefit the country.

2556. And the other general point is this: Take clerks with £8 or £10 per month, do you think it would be fair to tax their clothes 60 per cent., because they could not get a suit which costs less than 20s. at Home?—The clerk in the banks and men getting from £10 to £12 per month as a rule get the tailor-made article.

2557. I do not think they do?—Well, a great many of them do.

2558. A clergyman said the other day that he could not get his clothes made out here; no tailor could get the regulation cut for them?—Well, a man like that ought to pay the extra duty.

2559. But could he afford it out of his salary?—Well, he could get a very good tailor-made suit in this Colony.

2560. *Mr. Tod.*] You have had experience of the manufacture of cloth in England? Do you think it possible to establish cloth factories in this country?—No.

2561. Why?—Because you have only one advantage here, but the manufacturer in Yorkshire can get his wool from Australia for 1d. per lb. freight and carriage, and against that you have the labour difficulty, and besides, every article you use in the manufacture out here you have got to bring out. You have got the freight out, even if there is no duty; but a greater difficulty than that is labour. In England, if I wished to dismiss 100 men on Saturday, I could get another 100 on Monday morning, but here, if you have skilled labour of that kind, you are in a difficulty if they are not satisfied.

2562. That would apply to all newly-established industries?—Yes.

2563. Are they manufacturing any sort of cloth goods in New Zealand and Australia?—Yes, in both countries.

2564. Do they not supply some articles to this Colony?—No. They make blankets and cheap rough tweeds, but the majority of the goods worn out here are made from worsted yarns.

2565. *The Chairman.*] You have to import wool to do it?—Yes. Some of the wools can be used, but very little. Another factor is that at Home they have the world to manufacture for; a man makes one class of goods and nothing else. If I thought there had been some chance of it paying I should have started years ago.

2566. You do not think the offering of a bonus or imposing a protective duty would alter that?—I think it is very doubtful; I won't say it is impossible.

2567. *Dr. Viljoen.*] Are you aware we have a blanket factory in the country?—Yes, and there used to be a woollen factory. I think blankets can be manufactured here.

2568. Do you know the factory is a failure?—I am not astonished to hear it.

2569. Do you know there is a prejudice against the Colonial article?—I am not aware of it in this instance.

2570. *Mr. Pyott.*] What do you mean by the last sentence in your remarks, as handed in: "We strongly maintain that the above will reduce the cost of the poor man's clothing," etc.?—The first part of the sentence refers to the 5 per cent., the last to the employment of tailors out here.

2571. You only refer to a suit under 20s.?—Yes.

2572. You do not come forward and tell us that the duty will reduce the cost of the Colonial made suit?—No, but it will be the means of employing more men.

2573. *Mr. Harlow.*] You have made a strong point of the working man requiring cheaper living and cheaper clothing as part of that. Have you any authority for making that statement? Have you ever consulted any of the working-men in that respect?—No; only the tailors, and that was the view they took of it.

Albert E. Adey and William Henry Peters, Tailors, attended, at the invitation of the Commission, to supplement Mr. Longworth's evidence.

2574. *Mr. Harlow.*] I suppose you bear out the statement of Mr. Longworth that you are paying up to 50s. per week for your labour?—*Mr. Peters*: Yes.

2575. *Mr. Harlow.*] Do you consider this a fair wage?—Yes, it means taking the busy times with the slack. The men are paid piecework; no man is paid a weekly wage in Port Elizabeth.

2576. You are asking for 60 per cent. on imported clothing. What does a suit sold here at 85s. cost in England?—That is difficult to say, because it depends on the material, and whether they are made in a factory or a tailor's establishment. If made in a factory they would cost 7s. 6d.

2577. When you have a suit of clothes made to measure locally you get the best class of workmanship?—Yes.

2578. And in England?—Not always.

2579. I am speaking about the best class of clothes. You have to pay a higher price than for an ordinary suit?—85s. is a second-rate article.

2580. Do you know what are the wages paid in the factories in England?—Well, I cannot give them to you definitely. The workers work in shifts; for instance, there are no absolute finishers; they make them up to a certain stage, and then hand them on to someone else.

2581. What is known as the sub-division of labour?—Yes.

2582. The earnings of these tailors in England, working under that system, range from 35s. to 50s.?—*Mr. Adey*: I question that.

2583. *Mr. Harlow.*] What would you pay, for instance, for the making of a frock-coat in Port Elizabeth?—*Mr. Adey*: We start at 30s. for the men's wages, but every accessory but the plain garment is an extra.

2584. For a pair of trousers?—They start at 6s. 9d. plain, with two pockets. Then the man gets an extra 9d. for each extra.

2585. In England they pay from 4s. 6d. to 5s. 10d.?—*Mr. Adey*: No; it all depends upon the shop.

2586. You wish to say that the men you are paying these wages to only earn 50s. per week?—We are taking the average through the year. When they don't do any work they do not get any pay.

2587. But what I want to get at is what these men earn when they are working?—You do not get two men alike to start with.

2588. What duty do you propose to place on ready-made garments?—That it be reduced to 5 per cent.

2589. What is your reason for that?—We felt that Government and all politicians are urging the reduction in the cost of living to the people, and that is one way we suggest.

2590. Now you are proposing that the duty on bespoke tailoring be 60 per cent. Do you think that would have the effect of producing the article locally?—Without doubt.

2591. There is an article betwixt and between; for the man in a good position, the professional man, who does not believe the local tailor can suit him as well as the Home man. What duty would you place on such suits as those?—60 per cent., without doubt. The professional man, who gets a high rate of pay, has absolutely no right to go out of the country for his clothes, or anything else. But he never gets suits for 70s. at Home.

2592. Do you think it would reduce the cost to the working-man if the duty were reduced on the cheap suits?—I think so. These are the garments which the working classes wear.

2593. You agree to 5 per cent. duty on the raw material coming in?—Well, we have come to the conclusion that it is no use asking Government to lose revenue in these times, because they want it badly. If we were to ask them to let us off duty on these goods and let the other garments in as now, then it will not help us very much.

2594. You prefer to let the present duty remain?—Yes. We have never had the faintest idea of reducing the present tariff on the raw material.

2595. Do you have factories on the premises?—We have men working on our premises.

2596. Do you send your work out?—I have a workshop of my own, which I have access to. If I sent the work out I should not be able to see the conditions under which it was done.

2597. And when you put the work out you mean that you do not see the conditions under which it was done?—Not so well. There are a lot of journeyman tailors who prefer to work away from the shop.

2598. But if you have the tariff you suggest it is going to be an infliction on the general community?—*Mr. Peters*: I do not think so.

2599. How do you account for that?—In the last twelve or eighteen months we have had to pay 25 per cent. rise in our materials, but that has not made the cost to the consumer dearer by 1d. We have had to cut down our expenses, and make it up that way.

2600. Has it been a matter of reducing wages?—No; they are to-day what they were 10 years ago.

2601. And then you were getting 25 per cent. on the material?—We made larger profits than now.

2602. *Mr. Pyott.*] What is the difference paid for a garment made in England and out here?—There are no two towns in England that pay the same price.

2603. Cannot we arrive at a point somewhere?—I am quite within the mark in saying that the cost of labour here is fully 30 per cent. more than at Home.

2604. Another point you might give us; what is the percentage of Colonial labour on a suit of clothes costing five guineas?—About 33 per cent.

2605. *Mr. Harlow.*] If you get a double-breasted coat cut, what do you pay?—Seventeen and six for an ordinary coat and another 9d. for every extra.

2606. And a double-breasted vest?—Not less than 7s. 6d.

2607. *Mr. Scott.*] As to the garment costing under 20s., you propose 5 per cent.?—Yes.

2608. Take the clerk, who is not very well paid, anything over 20s. is going to affect him. Could you not raise that a little bit, say to 30s.?—I should be very sorry to see it raised. That is a point I wish to impress upon the Commission; that if you get a suit costing 30s. in 9ngland, it is sold here from £3 to £3 10s., and that is the very article which hurts us so much now.

2609. What class of suit is it that the clerk buys?—He comes to a tailor and asks us to take £1 per month.

2610. *The Chairman.*] I think the bulk of the Commissioners are generally under the idea that the bulk of the suits which cost 20s. at Home are purchased by natives, and we do not want to reduce the revenue derived from them. A point which we should like some information on is whether there cannot be some classification of the ready-made and the bespoke article?—We do not fear the ready-made garments; it is this going round from house to house at £3 10s. per suit.

2611. *Mr. Pyott.*] Is there not some other way of getting at these people than this heavy duty; for instance, why not a heavy licence?—*Mr. Peters*: If we were put on the same footing as New Zealand we would be satisfied.

2612. Cannot we get at these suits through the Customs?—It might be possible.

2612A. Or the Post Office?—The figures which Mr. Longworth supplied the Commission with came from the Post Office.

2613. Cannot we do something through the Post Office?—But the majority of the suits come out in cases, and some of the orders go through wholesale firms; therefore it is practically impossible for any man to say whether they are ready-made or bespoke.

2614. You cannot tell the difference?—No; the only difference is that separate measurements are taken, and possibly they are cut separately, but beyond that they are ready-made.

2615. *The Chairman.*] Do you know that the Customs have power to examine firms' books?

The Secretary.] We do exercise that power, and if there were a special duty on bespoke orders we might by examination of firms' books be able to detect any attempt to defraud the revenue.

[Later on the witness again attended before the Commission.]

2616. *Mr. Scott.*] Do you find that merchants in Port Elizabeth send their travellers round the country taking measurements from farmers for clothing?—*Mr. Adey*: We have cases on record in which samples have been left with farmers, and they have sold clothing to other farmers.

2617. You mean take measurements, and send out of the country to have the garments made up in factories?—Yes; that is the sort of thing that is done, but to what extent we are not able to find out.

2618. Do you find it detrimental to your business?—Yes.

2619. *Mr. Kayser.*] Is your reply that merchants of Port Elizabeth do this?—Yes, wholesale people.

2620. *The Chairman.*] They do it all through the country.

2621. *Mr. Kayser.*] I would like to ask if the witness will give us in confidence the name of any merchant who does this?—Arthur & Co. do it.

2622. Send their travellers round the country to farmers?—I am not prepared to say that.

2623. But that was your statement?—I said wholesale firms left samples with farmers, who take orders.

2624. Arthur & Co., of Port Elizabeth, do this, you say?—[No answer.]

2625. Does any merchant in Port Elizabeth send round to farmers and take measurements for suits of clothes?—Their travellers leave samples; but the travellers do not go direct to the farmers and take measurements.

2626. Can you answer my question?—Not to my knowledge.

2627. Your evidence just before was that they do this thing, and that is why I asked for the name. My reason for asking for the name is that I shall call that firm as a witness before the Commission.

2628. *The Chairman.*] In our part of the country, take the biggest firm in King William's Town, they have wholesale and retail branches, and they do a big trade in this sort of thing.

2629. *Mr. Kayser.*] What I feel is, if a statement is made, we must give the people charged with doing such a thing an opportunity of refuting it if they can. I am satisfied now that Mr. Adey says they do not do it. If the statement was a fact I feel it is a serious matter, and we should get further evidence. If Arthur & Co. send their travellers round to measure farmers for suits I think we should know it?—*Mr. Adey.*] I do not think that is so, not direct to the farmers.

2630. Can you give us the name of any merchant who does it?—Not take orders from the farmers? The tailors were discussing the matter, and Mr. Hatherley (who was present), one of the leading tailors in town, gave us to understand that he knew a farmer, who bought his clothes from him (Mr. Hatherley), has samples sent out to him, and he goes round to the neighbouring farmers and takes orders for them, and does a very nice little thing by it. He takes measurements and sends Home the orders.

2631. *Mr. Scott.*] I put the question because I thought it was being done in the Western Province.

Mr. Peters: I do not think any of the merchants in town do this.

Mr. Adey asked that the suggestion previously put in be withdrawn, and another substituted.

Mr. Kayser.] I object to any document being withdrawn. We are not here to get information one day and have it withdrawn the next.

The Chairman.] We are here to take evidence offered, and we shall have to consider both when we come to discuss our report.

The following document was then handed in by the witness:

MODIFIED RESOLUTION.—MASTER TAILORS' ASSOCIATION.

That Government be asked to impose a duty of 45% (forty-five per cent.) on all "bespoke clothing," or clothing made to measure (not ready made) coming into this country, either for private individuals or importing firms.

Also that they be asked that the makers or manufacturers of bespoke clothing shall be compelled to make a declaration on the other side that their invoices be correct as to price and consumption. And the receiver be also compelled to make a declaration of a similar nature on this side.

Further more, that each *bona-fide* ready-made garment must have a label of some material, not paper, sewn on, designating it as such. Any garment not having such a label on to be charged 45%.

Tobacco Industry.

Ignaz Henschel, Proprietor of the Court Cigarette and Tobacco Factory, said:

> **"I am a Cigarette Manufacturer. I am dead against any increase in duty of any kind. Not alone am I satisfied with the present tariff, but I am perfectly convinced, from observations during the last 30 years, that it is the heavy duties generally on the necessaries of life and on a great many other articles which make it impossible for this country to be a manufacturing country. I have a special knowledge of cigarettes."**

2632. *Mr. Tod.*] Would you like the tariff on cigarettes reduced?—That would not concern me. I am not afraid of any competition if we could get the labour we require at a lower rate. I am of opinion that as long as we get heavy duties it will not be possible to get lower labour to compete with the cheaper labour abroad. It is only necessary to compare the rates of pay here of skilled labour with those in other parts of the world.

2633. *Mr. Harlow.*] But the unskilled labour is lower paid?—Yes, and it is less efficient. I employ 40 people, and with the exception of six natives, they are all white. I am paying white people up to £7 10s. per week, and girls that do the simplest kind of work anything between 10s. and 20s. per week.

2634. What is it you specially want to bring before the Commission?—A strong protest against these increased demands for further duties, because I find that the present duties make it impossible to establish any industries in the country.

2635. It is on the general tariff you wish to speak rather than cigarettes?—Yes. If I were on the same level with the manufacturer abroad, with his cheap labour, I think I could hold my own against the imported article, because, besides the duty, there is a fairly heavy protection in the shape of shippers' commission, freights, trade charges, marine insurance, and landing charges.

2636. You are surely protected as regards cigarettes?—That I may be, but all the same the industry is beset by the difficulties of expensive labour, and what is more important, that, notwithstanding the heavy protection we have on these articles, it is next to impossible to make it a great industry in this country, with the very small population. I reckon that from the time that we had had these high duties imposed, the influx of population has been restrained and restricted. This is a question which occurs to me: how is it that amongst all these miners we have working in the country you see so few married ones. I want to show we cannot get an increase in the population if we make the cost of living dearer still, instead of reducing it.

2637. How would you propose to do that?—Well, I think it is a right thing to protest against the demands which have been made before this Commission.

2638. Could not we import a cigarette, if there was no duty, at a more favourable price than you can produce them here?—Yes, because the man oversea has an enormous population to cater for. I say we have no population in this country, and we drive away the population by heavy tariffs.

2639. *Dr. Viljoen.*] Of course, you are aware of the tariff put on last year? Of the material you use for your cigarettes, what proportion is Colonial production?—Every bit of the tobacco in the cigarettes is produced in South Africa.

2640. With the exception of the stationery?—Yes, the paper and the cardboard boxes.

2641. *Mr. Harlow.*] Are you aware we have factories in the Western Province turning out from 1½ to two million cigarettes a day?—Yes; I can turn out a quarter of a million in a day.

2642. And do you know that in one factory in this country there are over 300 workers employed?—Yes, it is a branch of the Trust.

2643. *Dr. Viljoen.*] There is such a thing as a Tobacco Trust in the country?—Yes, it is represented here.

2644. You don't belong to the Trust?—Oh, no.

2645. Would you mind telling us if this Trust is beneficial to the industry?—I am not in favour of Trusts. I set up my factory after they became established. That Trusts have an injurious effect I fully believe, to judge by the action which the President of the United States has seen fit to take. The general tendency of the Trust seems to be to concentrate the whole of the tobacco trade into their hands, thus restraining free trading. The buying up of retail places is already taking place in this country.

2646. Don't you think it possible, when this Trust, if a little bit more established in the country, it will control the whole of the Tobacco production in South African, as it has done in other countries?—They have control already of at least one-half of the leaf trade in America, and they have set up a factory in the Rustenburg district, which is probably the principal district for leaf tobacco in South Africa.

2647. They have a tobacco factory in the Rustenburg district?—Yes.

2648. And that is one of the largest tobacco-producing districts in South Africa?—It is the largest.

2649. And as a general statement, it is the best tobacco, and produces the largest quantity?—Yes.

2650. There are few Trusts in South Africa?—This is not the only Trust.

2651. Do you know of others?—Yes, the Dynamite Trust is represented out here.

2652. But there are other Trusts?—Yes, there are the Cold Storage and Flour Trusts, I believe.

2653. Do you think it is the duty of the State to nip an octopus like that in the bud, before it can spread its tentacles?—It seems to me clear that, if the State has any function, it is to protect the weak against the strong. If the formation of Trusts can be said to lead to abuse, then it is clearly the duty of the State to help those who would not individually be strong enough to face a Trust.

2654. Do you anticipate that at some future date your industry will be endangered?—I have to risk that every day of my existence as a manufacturer.

2655. Then you think your factory is always in danger of being harmed by the Trust?—I am convinced, if the Trust is permitted to have more sway that they will not hesitate to try and get a monopoly of the trade, which means suppressing every manufacturer who does not belong to them.

2656. And they are in a position to do so?—They are working with a capital of over a million pounds sterling in this country, and practically they have the trade in their own hands.

2657. *Mr. Kayser.*] You are not in favour of any increase on the present tariff?—I am dead against any duties being increased; they are already too high. Every effort should be made to reduce the cost of living, and until that is done we shall not be able to establish flourishing industries in this country. In the tariff there are a few anomalies. For instance, Mr. Kayser can import wood for boxes free of duty, but I have to pay 15 per cent. Wood in the rough is imported at 3 per cent., with the usual rebate from British possessions.

2658. Is your point that you are penalised as against any other importer for the same article?—No; if you import the wood for boxes you would pay the same duty, but if I buy the same article from your ordinary stock, which you import as timber, your stock would only cost 3 per cent. duty, whereas I have to pay so much more.

2659. In other words, wood imported in shooks for boxes is 15 per cent., but it is immaterial who imports it, and timber in the rough combs in at 3 per cent.?—Yes.

2660. Have you ordered it in the rough?—Well, I should declare it was for boxes.

2661. Is it not plain sawn?—Only the same as a box is done, and far less finished than flooring or ceiling, which is planed, grooved, and tongued. If they asked me at the Customs what they were imported for I should have to pay the higher duty.

2662. Do you deliberately say that if you imported rough timber, planks, anything, from ¾ inch thick and 6 feet long, that they would charge you 15 per cent. duty?—I am positive they would, because they know I would not import it, except for boxes.

The Secretary.] It has to be cut up for boxes.

2663. *Mr. Kayser.*] Would you not have to pay additional for shooks?—Yes.

2664. At any rate, you are not opposed to any duty being put on shooks?—No. I merely point out one of the anomalies of the Customs Tariff.

2665. In your opinion there should not be any differential rate between shooks and planks? Shooks in bundles should come in at the same rate as timber?—Yes. Another anomaly is that high-class printing, which cannot possibly be done in this country, pays an enormous tariff, which means an increased amount which the manufacturer has to pay out of his profits.

2666. *Mr. Scott.*] Is it not possible that the man who prints them for you here will smoke your cigarettes?—Yes, he might.

2667. And the man in England who prints them will not?—Yes.

2668. Are you in favour of a preferential railway tariff for Colonial manufactures?—No; I enjoy it myself as cigarettes, but I do not think it is right. To the railway it does not matter whether 100 lbs. weight of traffic is Colonial or imported manufactures.

2669. You would have no objection to remove the preferential rate?—I think it would be far better to remove all these distinctions.

2670. Are you in favour of the payment of bounties on Colonial products and manufactures?—That is a point upon which I cannot speak with authority, but I think if there are any industries in the country which it might be possible for the State to encourage, that it is far preferable to do it by means of a bounty than to clap on a duty which, for the sake of 1,000 tailors in the country, compels the other 900,000 people to pay more for their clothing. I have seen times in this country when there was a duty on corn, and the farmer himself had to pay it, because he could not produce the article for his own use.

2671. Do you think there are any other means of helping industries other than by bounties?—I can only say that whatever is done it should be to make the price of living as low as possible, and attract people to the country.

2672. Are you in favour of putting a duty on grain and cereals to protect the farmers?—I would be far more in favour of paying the successful farmer on the amount of his products; that would give help to the industrious man. We have seen a duty of 2s. per 100 lbs. on imported wheat, and the Colony was not able to feed the people.

2673. *Dr. Viljoen.*] Do I understand you to say that you were opposed to preferential rates on railways?—I consider they are a nuisance from an accountant's point of view.

2674. Would you apply that generally or particularly? I mean would you apply that to the real products of the soil which are cheap, but very bulky?—There is a classification.

2675. Would you apply it to a thing like oathay, which is very bulky?—That is a technical matter, but if the railways can carry Colonial oathay at Third Class rates, I cannot see that it would not be right to charge the same rate for the imported oathay, and not a higher rate. The preferential rate in favour of Colonial articles is unjustifiable.

2676. Then you are not very sweet on giving assistance to the man on the land? —Within reasonable bounds—as regards higher rates of rail carriage I would be concerned, because an all-leaf tobacco I get I would have to pay more than under the present preferential tariff.

2677. You say you are in favour of the bounty system of protection?—Well, it is a very difficult question.

2678. Is not one of the great objects of protection to raise revenue?—Then it is not protection.

2679. It is one of the objects?—Yes.

2680. That is one form of the use of protection, but of course it is also used to induce the people of a country to produce more against the imported article?—I may say if you attempt to raise revenue by means of very high Customs tariff, you may find that your Treasury is left without revenue.

2681. You are in favour of bounties. Can you tell us where you are going to get the money to pay them?—What I am in favour of is not to do away with the revenue which the Customs at present brings, but what I strongly protest against is the imposition of duties which are called for in order to bolster up artificial industries. It is very difficult to draw the line.

2682. I am quite aware yours is not a bastard industry, but you are very heavily protected?—I am quite prepared to fight, even if the duties are taken off, if the cost of labour is reduced to me, by taking off duties all round, if it can be done; because I am of opinion that the population will increase sufficiently only if the cost of living is reduced instead of being maintained, or even increased.

Miscellaneous Industries, &c.:—Chicory and Coffee Roasting, Baking Powder, Chutney Making, &c.

John Hodgson, of the firm of Hodgson and Co., attended, and proposed the following increased rates on coffee, chicory, baking-powder, etc.:—

		Raw.	Manufactured.
Coffee	...	¾d. per lb.	3d. per lb.
Chicory	...	1d. „	3d. „

Baking Powder, 25 per cent.
Egg „ 25 „
Curry „ 3d. per lb.
Essences (flavouring), 25s. per gallon.
Essence of Coffee, 25s. „
Vinegar, 1s. 6d. „
Sauces, Pickles, Chutnies, 3d. per lb.

These articles of everyday consumption, for the purchase of which many thousands of pounds are annually sent abroad, could all be manufactured in the Colony (thus giving employment to a fairly large number of people) were the duties raised as suggested, while the cost to the consumer would in no case be higher, and in most cases it would be lower.

2683. *The Chairman.*] You are a manufacturer of chicory?—Yes, and coffee and other articles.

2684. Can you get your raw materials here?—That is one of the matters I want to bring before the Commission; I cannot.

2685. You cannot get the farmers to grow them?—Evidently not. I have been trying to get chicory roots in the country for three years, and have not been able to do so, beyond one little lot of 50 bags.

2686. What have you been offering?—From 15s. per 100 lbs. down to 12s. 6d. That is according to sample.

2687. And what does it cost to import?—I can get the article in London at 6s. 6d. to 7s. 6d. per cwt.

2688. And so you have to import?—As a matter of fact, we cannot import, because the duty kills us.

2689. You mean that the duty is as much as on the manufactured article?—The duty is more on the raw article than on the manufactured, because 100 lbs. of chicory root only represents about 70 lbs. of chicory when manufactured.

2690. What quantity do you turn over?—Our business just now is a small one, because we cannot get the root.

2691. How many hands do you employ?—Half a dozen—two white men, two coloured men, and two girls.

2692. Can you tell the Commission what you want in the shape of protection? —I would like to say that under the present duty on raw chicory it is impossible to import it, because the duty is prohibitive, and under the present conditions we cannot buy it in the country, therefore the chicory business is practically dead. If we had the alteration I suggest I think there could be a large number of men employed in the country, throughout the Colony. The imports of manufactured chicory come to about £20,000 throughout the Customs Union, and all that business could be done in the country.

2693. *Mr. Tod.*] You mean manufactured here?—Grown and manufactured if the duty were altered. I suggest the duty on the raw material be reduced and the manufactured article be taxed higher than it is. I would tax the raw article sufficiently high to enable the farmer to grow it.

2694. You would differentiate between the raw material and the manufactured article?—Certainly.

2695. What is the value of chicory per lb.?—The manufactured article wholesale, 5d. per lb. The imported raw material landed here would be about 10s. per cwt. without duty. I suggest 1d. per lb. tax on chicory root.

2696. There is a loss of 30 per cent. in manufacture?—Yes, and that handicaps us severely in competing with the imported manufactured article. It is an article of large consumption, and is imported in very large quantities.

2697. Has chicory been grown in the country to any great extent?—Yes.

2698. And quite satisfactorily?—Yes.

2699. And the reason it is not now grown?—Well, I think it was the law of supply and demand. It was grown very largely some time ago, and the price came down so low that the farmer refused to grow it any more. Now you cannot get any at all. Some manufacturers have been able to get it because they distributed seed amongst the farmers, and thus got a hold on what was grown by those farmers.

2700. Why is it necessary to make such a big difference between the raw article and the manufactured?—By fixing the duty at 3d. per lb. on the manufactured article you are going to practically kill the importations of chicory.

2701. Is it a very complicated process chicory making?—No, but you want special machinery. We have the machinery lying idle; it cost a lot of money. We cannot get the raw material here and we cannot import it.

2702. Now as to coffee. Can you compete satisfactorily?—No, there is a large quantity imported into the country.

2703. You are asking for ¾d. per lb. on raw and 3d. on the manufactured article?—Yes.

2704. As far as I understand it, you simply roast and grind it?—Yes.

2705. And does it cost 2¼d. per lb. for that?—There is the loss in weight. In roasting this amounts to 20 to 25 per cent., in some instances more.

2706. But I suppose you can roast and grind coffee here just as cheaply as in England?—No, the cost of labour is more.

2707. Does it require skilled labour?—To a certain extent.

2708. What class of labour do you employ?—White and coloured in equal proportions.

2709. Then your labour should cost you just as little as in England, averaging the two together?—Yes, probably.

2710. Can you give us any information as to the other things mentioned here? Baking powder and custard powder.—Yes, they are articles largely consumed and imported into the country. By adding to the duty they could be all manufactured here.

2711. You mean you would mix them?—We would import the raw material and manufacture them.

2712. What do you use in baking powder?—Well, to a large extent that is a trade secret.

2713. And egg powder? Are there any eggs used in it?—I am afraid there are not. (Laughter.]

2714. And custard powder?

The Secretary explained that that was dutiable at 2½d. per lb. The question came up the other day, and it was explained that the reason is that it has sugar in it.

Witness.] As a matter of fact it has not.

2715. *Mr. Tod.*] Then you are quite satisfied with the present duty on custard powder?—Yes.

2716. Essences and flavourings?—At the present time they are taxed 20s. per gallon, and he suggested another 5s., so as to establish the industry on a better footing.

2717. Are any of the ingredients grown in this country?—No.

2718. Again it is a case of mixing. What about extract of coffee?—I would like to say by increasing these duties I do not think it will increase the cost of living. Take chicory, for instance, if you tax it 3d. per lb. you will stop the imported article, and the Colonial article will come on the market.

2719. Is there any danger of the farmers growing too much again, and prices dropping so that they will be forced to give it up once more?—I do not think so; there will be a large demand spring up, and the demand will be steady and regular.

2720. Will chicory keep indefinitely?—Yes, after it is roasted, ground, and tinned.

2721. And by stopping the imported article you are going to produce chicory which will be as cheap as it is to-day, and probably cheaper?—I think so.

2722. *Mr. Harlow.*] You say your suggestions will not increase the cost to the consumer. For instance, you ask that the duty on essences and flavourings be increased from 20s. to 25s. How do you reconcile that with the statement that it won't cost the consumer more, when it cannot be produced here?—But they are produced here. We make essences, lemon, vanilla, almonds. We manufacture these articles from imported materials, and by taxing the manufactured article a little more it will not increase the cost to the consumer, but will help to establish the industry on a firm basis. It is not a large trade, but all these little trades make the Colony more prosperous.

2723. But you do not say anything here about the raw material coming in free?—No; these things are made of such articles that cannot be grown here, and probably never will. Still, I do not know why essential oil of lemons should not be produced here. It is made in Italy principally, and is chiefly made from the skin of the lemon.

2724. *Mr. Harlow.*] And that can be produced here?—Yes, I think so.

2725. How is it you have left out the raw material as regards the essences?—I am not conversant, unfortunately, with the duties on the raw material.

2726. But you have to buy these, I take it, from the large chemists for the purposes of manufacture?—Yes, we buy our supplies locally, chiefly.

2727. You know what the duty is on the manufactured article, and what you want it increased to, but you don't know the duty on the raw material?—No, but I would perhaps be content to allow the duty to remain as it is, if I could get a higher duty on the manufactured goods.

2728. *The Secretary.*] Essential oil of lemons is 25 per cent. You use Colonial spirit?—Yes.

2729. And spirits of wine; that is overproof spirit?—Yes.

2730. Do you use a Natal spirit at all?—No, not for essences.

2731. *Mr. Harlow.*] This essence of coffee, is that a requisite article of food here?—Well, I cannot say it is a requisite article of food, but it is an article of fairly large consumption.

2732. But it is not a requisite article of food?—It is imported here in fairly large quantities and made by manufacturers at Home. It is a very convenient form of using coffee, but it has not a very large consumption.

2733. *Mr. Kayser.*] What is the duty to-day?

The Secretary.] 25 per cent.

2734. *Mr. Harlow.*] And you want to make it 25s. per gallon?—I want to bring it under the same heading as essences for flavouring.

2735. As to sauces, pickles, and chutneys, you ask for 3d. per lb. duty?—Yes, the present duty is 2¼d.

2736. So you ask for ¾d. increase, and you maintain that it won't cost the consumer more?—Yes.

2737. Is there not a great deal of it made in the country now?—Yes, but there is a large quantity imported.

2738. And do you think this ¾d. per lb. will stop the importations?— No, but it will enable the local manufacturer to compete a little better.

2739. About what rate of wages do you pay your workmen?—The coloured men get 25s. per week and the white men £2 per week.

2740. Is that a fair wage to pay a white man in Port Elizabeth?—It may be a low wage, but trade is bad, and we cannot afford to pay more. A single man can live on £2 per week nicely.

2741. But we want married men in the country, and it is impossible for them to live on £2 per week?—There are a great many living on less.

2742. When a man has to pay £2 10s. to £3 for rent he has not much left to bring a family up on?—That is true.

2743. I suppose if you had these tariffs you ask for you would be able to raise the men's wages?--Most decidedly.

2744. To what extent?--50 per cent.

2745. *Dr. Viljoen.*] You evidently know a good deal about chicory?—Yes, I think I know pretty well all about it.

2746. Do you know chicory used to be grown in the country?—Yes.

2747. Was the quality good?—Yes, fairly satisfactory, but not quite so good as the imported.

2748. It compared satisfactorily?—Yes.

2749. Was there an abundance of this chicory produced here?—Yes, some ten years ago a large quantity was produced.

2750. It was produced in the Western Province?—I have no knowledge of that.

2751. Was it produced in the Eastern Province?—Yes.

2752. It is an agriculture which has died out?—Yes.

2753. Can you account for this?—No, I cannot; I cannot understand why the farmer does not grow chicory root, because I maintain the price he gets for it must pay him very well.

2754. Is the extinction of this growth of chicory in any way connected with the non-protection the article had?—I cannot say.

2755. Are you satisfied we could grow chicory in this country for our own requirements?—Quite satisfied.

2756. And the quality is fairly good?—Yes.

2757. Now you come to vinegar. What kind of vinegar do you refer to?—Colonial-made vinegar.

2758. Made from what?—From grapes.

2759. Vinus vinegar?—I don't understand the term.

2760. The wine from the grape?—Yes.

2761. You acknowledge that vinegar made from wine is superior to vinegar made from acetic acid?—Yes, certainly.

2762. And is this vinegar largely used?—Yes, very largely.

2763. Are you conversant with the different kinds of vinegar sold in Port Elizabeth?—Yes, fairly so.

2764. Do you sell essences of vinegar; I mean the trade generally?—Yes.

2765. What is the strength of it? How many bottles of vinegar can you make from one bottle of essence by adulteration?—Twenty-eight.

2766. Now, do we pay a duty at present on the essence?

The Secretary.] There is a separate duty on essences of vinegar; 3s. 3d. per gallon, as again 1s. 1d. for the other.

2767. You propose here a duty of 1s. 6d. per gallon?—Yes.

2768. To what vinegar do you refer?—I refer not to essence.

2769. You mean vinegar from oversea?—Certainly.

2770. So you want to alter the duty from 1s. 1d. to 1s. 6d.?—Yes.

2771. What do you mean by vinegar; in bottle, in wood, or concentrated?—Vinegar in bottles and wood, but not concentrated, of standard strength.

2772. Would that duty of 1s. 6d. on the imported article be a sufficient protection to the local producer when you can make it here in unlimited quantities?—I am not prepared to say it is sufficient, but it is more than the present tariff, and would help the Colonial manufacturer.

2733. Did I understand you to say that you preferred vinegar made from wine?—Yes, to that made from acid.

2774. But the vinegar you are alluding here to is not made from wine?—No, it is made from malt.

2775. And acetic acid?—Yes, but this is sold as such.

2776. It is made from other things than wine?—Yes, that is true; what I am referring to is made from malt and acetic acid.

2777. Then in referring to the spirits which you use for essences are you referring to spirits of wine?—Rectified spirits of wine.

2778. The imported article?—No, the Colonial article.

2779. There is a separate Excise on that?—Yes.

2780. I do not know whether I understood you correctly, but did I understand you to say you put spirits of wine in essence of coffee?—No, I did not say that.

2781. Did not you say that essences are made from spirits?—Yes, flavouring essences.

2782. This essence of coffee, does it not conduce to a little bit of laziness in the household?—Possibly.

2783. It is not a thing that ought to be encouraged?—I do not say that; it is very convenient for suppers, dances, and banquets, etc.

2784. *Mr. Kayser.*] Will you tell the Commission why you recommend a reduction in the duty on raw chicory?—Yes, because if the duty were reduced to 1d. per lb. we could import it if necessary. At present we cannot import it, and we cannot buy it locally, which is absurd.

2785. Have you any objection to tell the Commission what price you offered the farmer for Colonial-grown chicory?—From 12s. 6d. to 15s. per 100 lbs. I have offered that over and over again.

2786. In other words you offer less than the duty?—Yes, but more than the Engish price, 100 per cent. more.

2787. But then why offer less than the duty?—I offered a fair price.

2788. Is the article not so good?—No, it is not as good as the English article.

2789. Of course, most manufacturers have come here and told us the object is to encourage Colonial articles. You are the first, in my experience, who has come here and honestly told us that what he wants to do is to import the article against the Colonial?—But I want to protect the farmer, and also to be able to import if necessary.

2790. And you offer him less than the duty?—I offer him a fair price.

2791.Less than the duty?—A fair price, considering I can get it in London at about 100 per cent. less.

2792. *Mr. Tod.*] In other words, you allow him the proportion you think he should get?—Yes, that is my idea.

2793. *Mr. Kayser.*] If you import chicory on your own account you have to pay 6s. 6d. per cwt. and pay the duty 16s. 8d., which costs you roughly 23s., and you offer the farmer 12s. 6d. per 100 lbs. So you do not encourage him to grow it?—I do not agree with that at all. I say I do encourage him to grow it, most decidedly and emphatically.

2794. Then why not offer him a price at which you import it?—I don't import it and I cannot buy it.

2795. If your present suggestion of a higher duty be imposed you are asking that you get 2d. per lb. for grinding, etc., and the reason you have given is that 100 lbs. of chicory root only yields 70 lbs. of chicory when ground, and that penny and two-thirds would roughly go to the manufacturer?—Yes, that is about it.

2796. As to vinegar, the Chamber of Commerce has had some correspondence on the matter, and if I remember rightly, the statement was made that vinegar made from grapes was unsuitable for pickles. Do you agree with that?—I cannot say, but vinegar made from grapes is suitable for household purposes.

2797. But you are asking here for vinegar to be made 1s. 6d. What is your object?—To enable me to put it up in bottles and sell it.

2798. Not to use it in sauces, pickles, chutnies, etc.?—No, not altogether.

2799. And is the information given to the Chamber correct, that vinegar from the grape is not suitable for pickles?—I cannot say. I do not make pickles.

2800. But that is one of the reasons why they say that the duty should not be increased; they must have malt vinegar?—I don't know.

2801. *Mr. Scott.*] Can you suggest any means whereby we can grow the chicory root if it were put under one of the Government Departments? Do they take any interest in the growing of chicory?—Oh, yes; I know they do as a matter of fact.

2802. In what way?—I have corresponded with Mr. Hartley, the Trade Commissioner, on the subject, and he gave me a list of people who have grown chicory root or would grow it; I have corresponded with them also, but they have not grown any.

2803. It was largely grown in the Western Province. I can remember large fields of it ten years ago. What I would like to get from you is some practical suggestion how this stuff can be grown again. I do not think the farmer will grow the chicory root if you take the duty off the imported article?—Well, from a farmer's point of view I have no doubt he will object strongly to that, but I maintain that 1d. is sufficient protection; it is 100 per cent. on the cost. It can be grown anywhere in the Colony.

2804. What can you buy chicory in England for?—6s. 6d. to 7s. per 112 lbs.

2805. Where is it grown?—In Belgium, and has to pay freight to England.

2806. But don't you think if it were generally known that you were willing to give 16s. per 100 lbs. you would get it?—I offered 15s. for some growing in the Alexandria district, but it was rather poor quality and had weevils in it.

2807. They had kept it too long before sending it to market?—Yes. A feature in favour of the Colonial article is that it can be dried in the sun, and if it gets a shower of rain it does not affect it. At Home it has to be dried in kilns.

2808. So it is an industry which naturally lends itself to this country?—Certainly

2809. It seems a pity it cannot be encouraged?—Still, it is a most peculiar state of things that you cannot import it or buy it in the country.

2810. What proportion of chicory goes to a pound of coffee?—It all depends on the price you are willing to pay for the coffee.

2811. As to vinegar, what is the present duty?—1s. 1d.

2812. And you propose to increase it to 1s. 6d., or by 5d.?—Yes.

2813. Will you again say to what use you are going to put this to?—For the table.

2814. And you want to increase the duty in order to make Colonial vinegar in larger quantities?—Yes, and stop the imported article to a large extent.

2815. *Dr. Viljoen.*] You advocate less protection of the raw material grown in the Colony, and an increased duty on imported manufactured articles? Is that the general policy you would adopt with reference to other articles, I mean other than chicory?—No, not as a general policy.

2816. Only in your special case?—Because it is ruled by special conditions. As I have told the Commission, for three and a half years I have not been able to buy any raw chicory.

2817. *Mr. Pyott.*] But you can get it in Uitenhage now. Smith Brothers have a quantity they want to sell; in fact, I may point out that a month ago a man in Grahamstown was buying chicory root at Uitenhage to go to Bloemfontein, and I was told that he could get fair quantities. Can you tell is what is the proportionate loss between the chicory root and when it reaches the manufactured state dry?—30 per cent.

2818. I have had the information placed before me that the loss between the root when grown and when dried, is heavy, heavier than you state.—I beg your pardon: I thought you meant the raw root dried and the manufactured article. I cannot tell you; I should say 60 per cent.

2819. A practical man tells me it is 72 per cent., and if you only offer him 15s. for the article prepared for your factory, what does the farmer get for his trouble?

Dr. Viljoen.] He only gets 4s. for the stuff he takes out of the ground.

2820. *Mr. Pyott.*] You cannot expect a man to grow chicory for 4s. per 100 lbs.—If I can buy dried chicory root in London at 6s. 6d. per cwt., I maintain that 15s. per 100 lbs. is a fair price to offer in this Colony, considering the cost of labour and everything else in the Colony.

2821. But you are using arguments which tell against you?—I protect the farmer.

2822. You have proved to us you cannot get chicory in the Colony with 2d. duty. Why? Simply because you have not given the farmer sufficient protection to grow the stuff. I refer you to Smith Brothers, who have fields of stuff rotting.—Witness explained that he asked Smith Brothers, and they told him it did not pay them to grow it.

2823. But your main argument is that there should be a sufficient differentiation between the raw material and the manufactured article?—Yes.

2824. *Mr. Scott.*] What does it cost to grind chicory per lb.?—I should say roughly 1d. per lb. for roasting and grinding.

2825. What does your imported chicory cost you?—5d. per lb.

on raw coffee for revenue purposes, but I would increase the duty on manufactured on raw coffee for revenue purposes, but I would increase the duty on manufactured coffee to 3d. per lb. Large quantities of manufactured coffee, mostly foreign, are imported. This could easily be produced in the Colony.

2827. And your suggestion was to reduce it by 1d., but you have not taken the farmer into consideration?—Yes, I have.

2828. As to chicory, you would have to pay a duty of 16s. 8d. on the imported article, and you only want to pay the grower 15s.?—But we don't import it; nobody imports it, so nobody pays the duty.

2829. Your suggestion is to increase the duty on the raw article?—Well, let that remain, and make it 4d. on the manufactured, owing to the loss.

2830. As to baking powder, you want 25 per cent.; what is your duty to-day?—15 per cent.

2831. And you want a difference of something like 10 per cent.?—Yes.

2832. You want 5s. more on essences. Are you likely to produce essences?—Yes.

2832A. From what?—Colonial rectified spirits and other ingredients.

2833. You are not producing essence of lemon from lemons, then?—I am not, but it is being done.

2834. Generally, what are you asking?—For sufficient protection to revive industries which are languishing for a little help, and which, if sufficiently protected, would be established on a better basis, and employ a fairly large number of hands, and would not increase the cost of living.

Chemists: Medicinal, Toilet and other preparations, Tinctures, &c.

Philip T. Dixon, Managing Director of C. E. Gardner & Co., Ltd., representing Manufacturing Chemists, examined on the following proposals put forward:—

Spirit duty on medicinal preparations to remain as at present, emphasising the fact that Dispensing Chemists and Doctors pay Cape Houses practically 3d. per lb. less for Tinctures, etc., than their confreres pay wholesale Houses in England.

Duty on Patent Medicines increased to 33⅓ per cent.

2835. *The Chairman.*] Are you prepared to give evidence on the suggestions you have sent in to us?—Yes, as delegate of the Chemists' Section of the Midland Manufacturing Association.

2836. You want an increased duty on patent medicines, the present duty not being sufficient?—Yes, to enable chemists to manufacture proprietary preparations in the Colony, affording them employment, and preventing a constant drain of money to England and America.

2837. Patent medicines you would have to let come in under any circumstances?—to a certain extent. We have found a remarkable improvement in the consumption of Colonial proprietary medicines since the duty was raised, and especially of spirituous articles.

2838. Don't you think the last duty gave you sufficient protection—20s. per lb. on pills?—They are manufactured in the country now to a small extent.

2839. Then that has given you sufficient protection?—No, because they come in in bottles of 100 at the *ad valorem* rate so long as the formula is attached to them.

2840. Will you give us your reasons for these recommendations?—If the duty was raised it would enable us to manufacture many of the articles. Our firm, and five other firms have started a plant to make medicine similar to those so-called patent medicines, and every retail chemist will be able to make them. A duty of 33⅓ per cent. would enable us to capture at least 20 per cent. of the trade.

2841. What labour do you employ at present?—About sixteen hands, in what may be termed the manufacturing department.

2842. And you could employ many more?—Yes, but I am speaking of my own business, which is a small proportion of the trade, and there are others.

2843. Would the duty increase the cost to the general population?—It would reduce the cost. I give you an instance: Woodward's Gripe Water was increased from 1s. 6d. to 2s. 6d. retail, and now a similar and equally good article is sold by retail chemists at 1s. and 1s. 6d., and is made in the Colony.

2844. Patent medicines—you say you want the duty increased?—Yes, to the same as the American and New Zealand, 33⅓ per cent.

2845. Is not the present rate a sufficient protection?—Yes, it is a fair protection, but a bigger duty would increase chemists' business.

2846. Then why ask for an increase?—Simply because every colony has asked for it. We could do more manufacturing, employ more labour, and retain money in the Colony.

2847. What about the Excise?—That is a strong point. We want the duty on medicinal preparations curtailed.

2848. But the ordinary duty is remitted?—If the public complain of the price that is one of the things we should like altered. At the present time it is on the same basis as in England.

2849. *Mr. Tod.*] Is there any difficulty in the way of manufacturing tinctures in the Colony?—No, sir.

2850. I have heard it stated that Colonial tinctures are not of the same quality as the imported?—That is mere prejudice.

2851. You say there is nothing in that, that the tinctures manufactured here are equal to those of the big manufacturing chemists in Europe?—They are better; they are fresher and equal to the imported.

2852. As regards the suggestion that Excise duty be remitted on spirit used for medicinal preparations. Cannot we get it made in the Colony?—It is made in the Colony.

2853. Then why remove the Excise?—That is only a suggestion to cheapen the cost to the public. The witness then stated that in the manufacture of 50 gallons of tincture of orange, £12 was spent in Colonial spirit, £24 went to the Excise, and £10 to the farmer for oranges, whereas on the old tariff the Government only made £1 13s. 6d. duty.

2854. It is only the Excise you want remitted?—That is only in the case of the public complaining, but at the present time the selling price to retailers is practically 5 per cent. less than in England, and we keep the whole of the work in the Colony.

2855. The Excise is how much?—Nine shillings per gallon at the strength used by manufacturers.

2856. You say: "In regard to such lines as Aspirin, Veronal, etc., are rated as proprietary medicines, then tabloids and palatinoids, which are proprietary, should pay the same rate"?—Tabloids and palatinoids are protected goods, and now only pay 12 per cent. whereas Veronal, etc., pay 25 per cent.

The Secretary.] Fifteen per cent.

2857. *Witness.*] We have to pay 25 per cent. The tabloids are protected by trade mark, and are proprietary.

2858. *Dr. Viljoen.*] It is not the same as a patent medicine article?—No.

2859. *Mr. Tod.*] And you recommend that they be placed on the 33⅓ list?—That would enable us to make them in the Colony.

2860. *Mr. Harlow.*] Do you find any difficulty in competing with oversea manufacturing chemists?—Not with this present spirit duty, but in England the spirit costs them 2s. per gallon, and ours costs us 4s. or 4s. 6d. I only recommend the abolition of the Excise in case the public complain. They are paying a less price here than in England by about five per cent.

2861. But, as a rule, I think you will find that they charge more than 1s. 1½d. for a bottle of medicine?—That is a patent medicine, but I am speaking about tinctures and drugs.

2862. But if you prepare the spirit here and you have the existing protection, how is it you cannot sell cheaper than in England; how is it you cannot produce at a less cost?—I have told you we sell 5 per cent. less than in England.

2863. Take the proprietary medicines manufactured in this Colony, they are working now at a disadvantage when compared with the oversea producers?—Who are they?

2864. Take Wood's Peppermint Cure?—Well, that is a patent medicine. Their increased cost is only due to the increased cost of labour and the taxes.

2865. Is there not some other reason for that?—I do not think so.

2866. *Dr. Viljoen.*] What are you selling your ordinary Dutch medicines at now?—The wholesale price averages about 3s. per dozen.

2867. And that is what it was some years ago?—It is considerably less. When I was first in business it was 5s.

2868. What do you mean by patent medicines to be increased 33⅓ per cent.?—Proprietary medicines like Beecham's Pills and Cockle's Pills.

2869. You would not apply that to ordinary patent medicines?—Oh, no.

2870. Are they classified as patent medicines?—No, they are practically all manufactured here in the country. There is a duty of 20s. per gallon on the spirit contained in the Dutch medicines imported.

2871. There is no other special duty except on the spirit. If that were taken away, would you materially decrease the cost of the thing?—Of the Dutch medicines, yes.

2872. Would it make any difference to the consumer?—Very trifling, about 6d. per dozen. It would make no difference to the retailer.

2873. Then why do you want to put an increase on the duty of patent medicines?—Because qualified chemists can put up an equally good article here at a lower price.

2874. What do you mean by patent medicines?—Beecham's Pills and Cockle's Pills, and other advertised articles.

2875. You are not allowed to make these here?—We can make a similar article here, and if the imported patent medicines were made more expensive the public would get our article.

2876. The manufactured tinctures of this country are cheaper than English?—Yes. The Excise in England is high, but our Excise is cheaper than in England.

2877. What is the approximate quantity of spirit used in Cape Colony in the making of these things?—I calculate my firms will use 3,500 gallons of Colonial spirit in the next year.

2878. Grape spirit?—Yes.

2879. From Natal?—Not from Natal.

2880. The total quantity?—The wholesale firms in Cape Colony will, I estimate, use 15,000 gallons next year. Prior to this duty being imposed everybody imported very largely, and there are big stocks still in the country.

2881. The importation has stopped now?—Yes.

2882. However, 15,000 gallons of spirit will be used in the making of tinctures, etc.?—Yes. Then I estimate the retail chemists at 140—averaging 50 gallons apiece, and medical men 3,000 gallons. Altogether, I estimate 25,000 gallons will be used in the Colony.

2883. And you propose to take away the duty on that?—Oh, no; we prefer the Excise to remain.

2884. You want the Excise taken off the 25,000 gallons?—I do not say that. What I say is this, the public may call out at having to pay more, and then the Excise might be remitted. I only suggest it be remitted, if necessary, at the discretion of Government.

2885. *Mr. Tod.*] Apparently the remission of Excise would involve a loss of £10,000 to the Government.

2886. *Dr. Viljoen.*] That is a big item. You say, "If such lines as Aspirin Veronal, etc., are rated as proprietary medicines, then tabloids and palatinoids should pay the same rate." What is the duty on aspirin and veronal at the present time?

The Secretary.] It is classed under the general *ad valorem* rate of 15 per cent.

2887. *Dr. Viljoen.*] Now what is the duty on these tabloids?

The Secretary.] When they are imported in bottles, put up for direct sale to the public by retail, 15 per cent. *ad valorem.*

2888. *Mr. Kayser.*] If your suggestion to increase the duty on patent medicines were adopted, the consumer would have to pay extra?—Yes, it is a luxury.

2889. Would that not have the effect of inducing these manufacturers to come out here?—Yes, that would be better for the country.

2890. Is it a fact that Mother Seigel's Syrup's people make their article out here?—Yes.

2891. Your object is to get the people to take something else?—Yes.

2892. With regard to the remission of the Excise duty, you do not press that—you are satisfied at present?—I would rather have the Excise than the complications caused by revenue officers supervising every little detail of manufacture, in addition to the risk to the Government of being defrauded by unscrupulous people.

Mr. Harlow said the last tariff had the effect of introducing a pill factory in Cape Town.

Witness.] We find at the present time that we are losing business owing to Home manufacturers substituting glycerine for spirits of wine as the basis of liquid extracts. Glycerine comes through at 12 per cent. That is probably a breach of the Foods and Drugs Act. The spirits of wine is replaced by glycerine.

The Secretary.] The witness means that the tariff is partly being defeated by the Home manufacturers substituting glycerine in place of spirits of wine.

Dr. Viljoen.] You would hardly call that adulteration if one answers the same reason as the other.

Witness.] But I maintain that it does not, and in addition to that the spirit is frequently used to dissolve some of the constituents, which glycerine does not. In the event of the tariff suggested being put on we shall be prepared to put down a much larger plant. If it—the tariff—be guaranteed for ten years.

2893. *Dr. Viljoen.*] You think if there should be an alteration in the tariff it should continue for a certain number of years, a fixed period?—Yes.

2894. I should also like to ask you if business has been affected in any way by the preference on the railway?—I think not.

2895. Your bulk is too small for it to affect you?—Yes.

2896. But it would affect you as a manufacturer if you were certain that the next tariff will exist for a period of fixed years?—Yes.

2897. And so you think if the protection you ask were taken away at expiration of that fixed period you could hold your own?—Yes; it would have enabled us to go in for a good many new things; and we should be able to experiment, and produce articles which we could probably export.

Mattress Making.

Gordon McIntosh, Manufacturer of Wire Mattresses, attended to give evidence on the above Industry.

2898. *The Chairman.*] How long have you been connected with the industry?—About four years.

2899. Do you want any alteration in the tariff?—I suggest there should be a duty of 25 per cent., instead of the present one on wire mattresses. This is an industry which could be extended and made an important one. There are thousands imported into the country, which under the protective tariff I mention would all be manufactured here. We are doing a large business at the present time, but the position is unsatisfactory. The merchant continues to import, and business cannot be carried out on a large scale or on anything like a permanent basis, because there is not sufficient inducement to invest capital. With a permanent protective tariff the whole of the industry could be carried on here. Some people might say this is fostering a bastard industry, but I consider if we had such industries all over South Africa it would be a great benefit. All the labour is in the country, although we have to import the wire. There is considerable skilled labour employed.

2900. *Mr. Tod.*] Have you any idea what proportion of the industry is local, and what proportion is imported at the present time?—Only a small proportion is locally manufactured.

2901. What materials do you use in the manufacture of mattresses?—We use steel wire, which is woven into meshes on the machines, and we buy the timber at the present time locally.

2902. Is it Colonial timber?—We cannot use Colonial timber at present.

2903. So all the materials are imported?—At present. To compete with the imported article we have to use imported stuff.

2904. There is no steel in the country?—No, but there is timber, but it is too dear.

2905. What is the average value of one of these mattresses?—Of course, we only supply wholesale people. If we had the business throughout the country we should have more scope. When merchants import mattresses they have to give an order of considerable importance, say 100 mattresses at a time, whereas in buying from us they only order them to meet their present requirements, a few at the time. A double-wire mattress runs from 10s. 6d. to 50s.

2906. And the average value?—20s.

2907. What the Commission would be interested in learning from you is of that 20s. mattress, how much is represented by labour, and how much by material which you import?—I should say 30 per cent. of imported materials.

2908. Is it all white or coloured?—We have a coloured boy or two, but otherwise it is white labour.

2909. In what proportion is the white to the coloured?—The native labour we employ is practically only for the rough work.

2910. The coloured worker does not do skilled labour?—For the weaving we have one Cape girl and the others are white.

2911. Does the coloured girl get the same rate of pay?—Yes. Sometimes more. The best worker we have is a St. Helena girl, and she gets more.

2912. Do you consider it highly skilled work making these mattresses?—Yes. The men's wages range from £3 per week down to £2 and £1 16s., and the girls can earn 20s. per week.

2913. Do you think if your recommendations were carried out that the importations of mattresses would cease and that they would be manufactured locally?—Yes.

2914. And give employment to a large number of people?—Yes, it would be a big industry all over the country.

2915. And very important if 70 per cent. is represented by labour?—Yes.

2916. *Mr. Harlow.*] The wire comes in free?—Yes, ever since the last Customs Conference.

2917. You made a statement just now that Colonial timber is too expensive to use in manufacturing mattresses; why?—We have not got a suitable wood. Good wood is required in the frames, one with a great amount of resistance. At the present time we are using pitchpine.

2918. What tariff would you suggest to be put on as a fair protection?—I should consider there is no necessity of considering the tariff in this instance, because it is not like some industries which when you keep the imported article out adds to the cost of the poor man's living. At the present time we compete to a certain extent with the imported article, and the only grievance we have is with the cheap article; and that cheap article should not be allowed to enter the country at any price, because it is dear at any price.

2919. You have 12 per cent. now, have you not?—Yes.

2920. And to obtain the full manufacture of these articles what would be a fair amount to raise the tariff to help you to get the whole of the work?—I ask for 25 per cent., but perhaps a little less would do. At Home, where they have all the latest appliances to deal with the article, they could easily get over 5 per cent. or 10 per cent. in the manipulation.

2921. Would it raise the cost to the consumer?—No, it would not.

2922. *Mr. Pyott.*] Are you making many mattresses here to-day?—A fair number, but nothing like what we should be doing.

2923. Under the present tariff?—Yes. Some of the merchants have really stopped importing, and give us all their business; but there are others who continue to import.

2924. You say it would not alter the price to the consumer, I mean increase it?—We do not regulate the price. We sell to the merchant, who fixes his price both for the imported and the Colonial article.

2925. But the merchant will have to increase his price if you put on an extra 13 per cent. duty for the imported article?—We do not regulate the price; the merchant gets his regular profit independent of what we charge him.

2926. But supposing the merchant had to pay 13 per cent. more through the Customs for what he imports, he could not sell that article to the consumer at the old price?—He would cease to import.

2927. It would stop importing?—Yes.

2928. And you would not take advantage of this extra 13 per cent.?—No, we would still manufacture them at the same price. It would practically stop the cheap article coming in, which being rubbish is no benefit to anybody.

2929. You say that the labour employed is about 70 per cent.?—Yes.

2930. The material 2s. 6d. and the labour 7s. 6d. on a 10s. mattress?—This would not apply to this cheap line, the proportion for materials would be greater.

2931. And then on the 50s. mattress the material is 12s. 6d., which is all imported, and the difference is made up by labour?—Yes, the dear mattress is 4 or 5 ply, and takes so much longer to weave.

2932. In importing your wire do you get it out in coils?—Yes.

2933. Assuming you had the increased duty you ask for, would that not increase the cost to the consumer?—Not a bit.

2934. And would give you a greater facility to employ more Colonial labour?—Yes.

2935. Would it eventually cheapen the cost of production?—The merchants compete with each other and they regulate the price of the article to the consumer. We do not supply the consumer but the merchant.

2936. By giving you a larger market and therefore increased production, will that eventually reduce the cost of the mattress in the manufactory?—Yes, so far as we are concerned.

2937. If you got the market you could produce more at a less proportionate cost to yourself?—Yes, at the present time our business consists of small orders.

2938. *Mr. Scott.*] You are getting on very well at present with about 12 per cent. duty?—We are not getting on very well.

2939. Well, you have all the wholesale business in Port Elizabeth?—No.

2940. You see the imported mattress pays a good deal in freight?—Not so much. Some people get them out with their furniture, and they come in rolled up.

2941. Can you tell me at what price could you get a mattress in England which sells here at 20s.?—I suppose about 12s. 6d. in England. I am not speaking about our price.

2942. It would not cost 100 per cent. to import that mattress?—I should think so.

2943. If it does that you are very well protected at present?—I cannot say what the cost would be.

2944. It is an article which is protected by the higher freight?—We can come out on the better class article as it is, but on the cheaper one we cannot.

2945. There is just the danger of your not getting that trade which you are looking for if you are over-protected. Other people will be induced to come here and set up.—The more the better; it will increase the population, bring about competition, and tend to reduce prices.

2946. I want to be fair to you and point out the danger.—Of course we do not want a monopoly.

2947. Have you not stated the labour rather high; 70 per cent. on a 20s. mattress sold here?—It may be on the cheaper lines, but not on the better article.

2948. You only leave 6s. for material on a mattress costing 20s.?—It would not be so much for the cheaper article. If we had 25 per cent. the cheap mattress would disappear, and it is not wanted.

2949. At present you ought to be able to get along with 12 per cent. and the extra freight on the imported mattress?—So we would if the merchants would give us a fair show. When they import they send for large orders, but when they buy from us they only get two or three at the time; so it does not give us a chance to compete on an equal basis.

2950. Do you make up the wood frames?—Yes.

2951. And Cape woods are not suitable?—Stinkwood is, but it is too dear.

2952. Yellow wood is not suitable?—It is too soft.

2953. I om afraid hardly any of our Cape woods are suitable?—If we could get stinkwood at a fair price it could be used.

2954. Is it a fair thing to come before this Commission to propose something which will knock out competition from the imported article?—No man will suffer through the increased tariff.

2955. The merchant will contend that you are over-protected?—But our article is not like foodstuffs.

2956. I think it would be advisable for you to look into your figures, because I do not think you have given them correctly. Will you do so and hand in to the Commission?—Yes. May I add that if we got this protection it would have the effect of making people use the Colonial article. This is one of the industries which could be kept in the country without anybody suffering in any respect whatever.

Parcel Post and Auction Sales.

Messrs. J. W. Badcock, of T. W. Birch & Co., H. H. Ritter, Jeweller, and A. H. Miller, of A. H. Miller & Co., attended as a deputation from the Mercantile Association, in support of a petition, handed in by the said Association, and printed at the end hereof, to give evidence on the following matters:—

(*a*) Mr. Badcock, on Parcels Post Competition.
(*b*) Mr. Ritter, on Austion Sales.
(*c*) Mr. Miller, on Auction Sales.

John William Badcock, Manager of T. Birch and Co., Ltd., was the first examined.

2957. *The Chairman.*] You have come to give evidence on parcels post?—Yes. I have jotted down a few notes on the subject. Traders consider the present exceptional facilities given to the public detrimentally affect the internal trade of the country. A trader who has to pay rent, salaries, licence, and importer's tax, besides interest on large stocks (all circulating money in the Colony) has to pay 8d. per lb. on parcels sent inland if only twenty miles, whereas they are brought out 6,000 miles from England for almost the same price, namely, 9d. per lb. That out of this 9d. per lb. the Cape authorities only get a small amount, I believe not one-half, and thus are allowing oversea parcels to really compete unfairly against those of the genuine trader in the Colony. That the valuation of parcels from oversea is much abused, it being an understood thing in some English houses sending goods to the Cape that only half value is declared. That this abuse is general is shown by a letter I hold from the Collector of Customs, Port Elizabeth, who states that some 80 per cent. of the parcels coming from Home are under valued at under valuations varying from 30 to 100 per cent. That under these exceptional facilities private persons and others who have no general status as traders and pay no licence or import tax are able to unfairly compete against *bona-fide* traders who, as I said before, circulate money largely in the Colony, pay large amounts in salaries rent, taxes, licenses, and Customs dues, and I suggest that a tax should be put on all parcels or packages imported by other than those who hold an importer's licence, a tax of at least 10 per cent. *ad valorem*, with a minimum of 2s. 6d., in addition to the ordinary Customs dues, such dues to be called an import tax. Such a system as above, I believe, obtains in New Zealand, and is found satisfactory. I may say that the suggestion as above was made by me to a member of our Ministry a short while ago, and received his earnest commendation coupled with a suggestion that it should be brought before the next Customs Conference.

[The witness then handed in the originals of the following correspondence.]

The Hon. E. H. Walton,
Treasurer-General,
Cape Town.

Sir,

We beg to lay before you a grave disadvantage under which we and all retailers in this Colony are suffering, in the hope that you will legislate to protect us from the injustice complained of.

We, as Importers, pay a licence, and in many cases keep large stocks and establishments, and are considerable employers of labour and in this way circulate money to general advantage, yet our businesses are being seriously crippled by the fact that the general public can import any articles for private use, or even business purposes by parcel post without paying any licence. In the clothing trade tailors are suffering severely and cannot get employment for their staff of workmen. In dressmaking the same disastrous effects are felt, and all branches of trade are suffering most severely.

The evil has been, and is, a growing one, and, but that your petitioners hoped that the Customs Union Tariff would provide some relief, would have been appealed against long ago.

Our new Customs Tariff is formed with the object very largely of protecting and encouraging Colonial Trade and Industries, and yet here is a crying evil unchecked.

Your petitioners pray you will bring in a Bill to impose on all parcels imported into this Colony, other than those holding Importers Licences, a charge of at least 10 per cent. *ad valorem* (with a minimum of 2s. 6d.) as Import Licence Tax in addition to the ordinary Customs Union Duty. Such a tax would prevent the growing general evil and would not be hard on any private individuals who wished to import parcels specially for any particular personal reason.

We believe such a tax is levied in New Zealand with very good effect.

We have the honour to be.

J. W. Badcock, Esq.,
P.O. Box 6,
Port Elizabeth,

Dear Mr. Badcock,

Unfortunately we were not able to get the Customs Conference to agree to more than is contained in the Convention though the matter you speak of was strongly urged upon the Conference. There is no doubt that the grievance is a real one and after the Convention gets to work there is no reason why we should not take advantage of the first opportunity of getting the different Governments to reconsider this point.

I am,
Yours faithfully,
E. H. WALTON.

2958. *Mr. Tod.*] Don't you think in regard to this postal business that perhaps you will get the result you want if you make the Colonial postage one-half of the oversea postage?—I might do so; I do not know whether it is possible under the existing general postal regulations.

2959. I think we can make our own rates in the Colony, just what we like, and if what you say be correct, that we are only getting half of the 9d., we are doing the most expensive part of the work, conveying by postcart all over the Colony?—That is so, I believe.

2960. Then it follows, therefore, that if we can afford to carry British goods over our own railways for 4½d., we can equally carry our own for the same sum?—Yes, provided it does not clash with the railway rates, but they often clash now; I mean you can often send things cheaper by post than by rail.

2961. The man importing through the post a small parcel is sufficiently handicapped against the general importer by the high rate of postage, 9d. per lb.; so that with regard to the actual transport I do not see that you have any grievance; you can import in bulk much more cheaply than the buyer can through the post?—Except that these parcels are often wanted urgently by the general importer, who has to pay the same rate as the ordinary buyer.

2962. But don't you think that is right if he gets the same service?—Yes, except that the one is a general importer and the other is not. My idea is to try and protect the local trade of South Africa against the trade from outside which militates against it, I would say to the detriment of the general public.

2963. You say New Zealand gets over the difficulty by a general surtax. I cannot find that?—I do not think it comes within their Customs regulations; it is quite a separate law. I have no figures to give.

2964. And you do not think you will get what you want if we reduce our Colonial postage?—I think it would be a help, except for the fact that I mentioned just now, that it will conflict with the railway rates; there are many instances already in which the latter are already too high. You can often send by parcels post cheaper than by rail; in fact to the Orange River Colony it is almost generally so.

2965. But what I gather is you want to be protected against oversea?—Yes.

2966. And if you are protected by half of the postage, surely that will be sufficient?—Yes, but I think it would be much better by increasing the postage from England, and let the Cape Colony gain a larger proportion out of it, because I doubt if it pays them to carry at the present rates.

2967. Not by rail, but by postcart; and if the system was extended, the contraction would want a higher subsidy?—Yes.

2968. *Mr. Harlow.*] To what goods does this apply?—More particularly soft goods. A large quantity of ladies' apparel is imported in this way. They get out two or three pairs of gloves and other things; and many men get out suits made to measure at Home, and so affect trade, ready-made, tailor-made and bespoke. They simply pay Customs dues, the same as the ordinary importer pays, for parcel post goods, but in addition the importer has to take out a Government licence, and he has other trade expenses. The private individual has none of these expenses to meet, and therefore he can import at a far cheaper rate than the general importer.

2969. *Mr. Harlow.*] What you wish to infer is that the private individual gets an advantage over and above the merchant?—Quite so.

2970. You say a minimum of 2s. 6d. per parcel?—Yes, or 10 per cent. in addition to the Customs duties. Supposing, for instance, a suit of clothes is got out at 40s. value, besides 12 per cent., the private individual would have to pay 4s. in addition, but if it were against two or three gloves a lady got out and the value was only 6s., she would have to pay 2s. 6d. as the minimum charge, besides the Customs duty of 12 per cent.

2971. Do you think it would have a tendency to raise the price of goods to the consumer?—I do not think so, but it would make people, now buying direct from Home, go to the shops in town, where they would have a good selection to choose from and pay the regular price for the goods.

2972. What section of the Customs Office would you depute this work to?—I think it could be arranged by those levying the Customs duty on the parcels, they can surcharge the parcels. It would be collected by the same officials as the Customs duty, and each State would get its own import tax collected by its Customs officials.

2973. But that would have a tendency to increase the staff of the Post Office?—I do not think so; it is merely the addition of more figures on the docket which the consignee has to pay on; instead of paying the Customs duty alone he would have to pay the import tax as well.

2974. And you think this 10 per cent. would cover that?—Yes; it would bring revenue into the country.

2975. *Mr. Pyott.*] You mean a 2s. 6d. surcharge over and above the 12 per cent. duty?—Yes.

2976. That is the minimum charge?—Yes; I do not think anybody who wanted to get any special article out for themselves would object to pay the additional 10 per cent. as a special charge, but if these are goods which can be bought in the country I think the people ought to go to the *bona-fide* trader.

2977. I think your point was that they ought to pay a surcharge through the Customs so as to compensate the importer for the rent and taxes which he has to pay?—Yes, and bring up the expense of the article they import to the value of the goods which they have to purchase in the country.

2978. But that would only apply to the small articles under 25s.?—It would apply to anything; it is to cover the difference.

2979. You propose 10 per cent. as well as 12 per cent. to anyone who does not hold an importer's licence?—Yes.

2980. What is the Colonial and British rate of parcel post?—English 9d. and Colonial 8d. per lb.

2981. And you think that is unfair to the revenue?—Yes.

2982. Have you found that the action of the Customs people during the last 12 months or two years has had any effect in stopping these direct importations through the parcels post?—I do not think so. I am told private importing is going on just as much as ever.

2983. But the action of the Customs has had the effect that they have to give the true value of the parcel?—I was led to the impression that there were still a very large number of parcels coming in which are undervalued.

The Secretary said he did not think they now dealt with more than 10 per week, whereas they used to have 60 or 100. During this year they have fallen off to next to nothing.

2984. *Mr. Kayser.*] Do you mean there are not more than 10 parcels per week not properly declared.

The Secretary: We do not find more than 10 per week which we question in being undervalued.

2985. *Dr. Viljoen.*] Are you a merchant?—I am the general manager of T. Birch & Co., Ltd., and have been in business here for 30 years.

2986. Are you satisfied with the present duty of 12 per cent. on soft goods?—Yes, we have to be.

2987. Do you think it ought to be lowered or raised, or left at what it is?—If the country's finance would allow of it I should like to see it reduced.

2988. The *ad valorem* duty of 12 per cent.?—Yes. Many articles which were formerly imported under the old duty of 7½ per cent. we find it impossible to raise the value of. The article is known so well that we cannot change the prices of them, and consequently we have to be out of pocket for the difference in the duty. Therefore I should like to see the duty go back to the old figure.

2989. Do you think it would be better for the consumer?—All round it would be, undoubtedly, because in many instances such as I have made note of we have had to bear the brunt of the extra duty, and in other instances we do not get any advantage, because we simply have our new price on the new duty.

2990. Assuming a reduction is made on the *ad valorem* rate, say of 5 per cent., is the consumer going to have the whole benefit of that reduction?—As a general thing, undoubtedly.

2991. The consumer?—Yes.

2992. Does the frequent alteration in the tariff affect you?—Yes, very naturally.

2993. Affects your business?—Yes.

2994. And the business generally or the Colony?—Yes, I should say so; but I can only speak of what affect our business.

2995. And you think it would be better for commerce if there were a definite fixed period?—Most certainly.

2996. But you cannot have a permanent contention?—No.

2997. I want the minimum period?—Well, I should say seven years.

2998. You think that would serve the purpose?—Yes; I think it would allow people to settle their business on definite lines.

2999. Does the preference on the railway affect you?—Very, very little.

3000. Yours is all imported goods?—Yes.

3001. So you are not in a position to give evidence on this point? I mean to tell us definitely whether it affects your business?—Very little.

3002. And the articles manufactured in this country do not compete with your business?—No.

3003. *Mr. Kayser.*] You said you are a large importer of clothing?—Yes.

3004. Have you followed the reports from time to time of this Commission?—Yes, more specially affecting our trade.

3005. Did you see there was a suggestion made of putting a duty of 60 per cent. on clothing?—Yes.

3006. What do you think of that?—I think it most ridiculous.

3007. What effect would it have on a man getting a salary of say £9 or £12 per month?—Well, I think it would make his clothing reach an abnormally high price; there is no necessity for it. And as to the suits under 20s. in value, I think it would tend to the importation into this country of the worst rubbishy articles. So far as our trade is concerned, there is next to nothing of that value imported. Our suits do not go below 30s. or 40s., the bulk of our importations.

3008. And the bulk of your importations cost at Home from 30s. to 40s.?—Yes.

3009. An article costing, say 40s. at Home, what would it be sold at here?—65s. to 70s.

3010. Am I right in assuming that a clerk earning between £100 and £150 per year would buy a suit of that class?—Yes.

3011. And from importers like yourselves?—Yes.

3012. So that as a rule they do not buy from tailors?—It would be equally as good a suit as the tailor's costing £5 10s. or £5 5s.

Mr. Kayser.] That is just what I wanted to get at.

3013. Then any increase in the duty on clothing would mean that the consumer would have to pay more for it?—Certainly.

3014. Have you any suggestion to make with reference to bespoke tailoring?—I shall be very pleased to give evidence in that, and it is more especially covered by my ideas on parcels post. There are a very large number of suits imported into this country which are made in England, orders for which are taken by men who really pay no licence to the country, have no residence, pay no rent, and who simply go from house to house or store to store taking orders. The suits are got out by parcels post, and really on the same terms as the ordinary importer would do, who has to pay all the charges which fall to a man in business to pay for the maintainance of his business and for the upkeep of the country.

3015. The greater portion of the trade comes out by parcels post?—The majority does, that is my impression. I know there are instances where many suits have been ordered through one establishment in town, and these suits have been got out in cases by a man under the *bona-fide* importer and who pays no importer's tax.

3016. My recollection of business is that at one time all the outfitters used to do bespoke tailoring?—Yes, and we do so now in a regular way of business.

3017. We have got the idea very clearly from you that, so far as you are concerned a duty of 60 per cent. is absurd?—Quite so.

3018. You mentioned that you would suggest to the Commission an extra duty on goods coming in by parcels post?—Yes; I do not know whether you would call it a duty or a tax.

3019. At any rate you would treat the private individual who imports on quite a different basis to the merchants?—Yes.

3020. Can you give any reason for that?—I think the retail business of the Colony is very seriously affected by it; I know it is so; I mean by the importation by private people of goods by parcels post. They get all the facilities of the general importer without having to pay for any licence.

3021. The bulk of this private importing is done through the post?—Yes.

3022. Is it not a fact that our postal authorities have been doing everything they could to encourage parcel post business?—I do not know. I should say not by only having a 9d. rate of postage from Home as against 8d. internally.

3023. Everything has been done to facilitate the delivery of these parcels?—Yes.

3024. What is the effect if a person imports goods by steamer?—Would the Customs officials do the same for them as the Post Office does?—No; probably the private person would have to employ a commission agent to clear his parcels.

3025. Would it not have some effect if everyone importing a parcel had to go through the same routine as the merchant has to do?—Yes; it would stop the importing of private parcels if that had to be done.

3026. A man would calculate the cost of importing?—Yes.

3027. Is not this the reason for a large quantity of private importing done through the Post Office?—Yes.

3028. You do not ask that an extra duty should be imposed for this work?—My object is to try and throw the business now being done in this way into the hands of the legitimate traders of the country, instead of having it done practically by private individuals. People get misled in this way. I know an instance of a lady who wanted to import an article of apparel from Home; she saw it advertised at 25s. She got it out. The retail price of that same article in this country was 16s. She thought she was getting it cheaper by importing it direct, and I believe there is a great deal of that being done to-day. You will say that must tell its tale in time, that the people victimised will not send a second time, but many of them think they are getting things cheaper because they get them direct from Home. In many cases they could get the same article from the local retailer cheaper.

3029. Then this importing is done through ignorance?—Yes.

3030. It is really more expensive to the private individual to buy these goods, because they have also to pay for the remittances?—Yes. Even that is cheapened now. I believe you can get a postal note payable at any English post office at a very much reduced rate than you formerly could. It used to cost 9d. for £2, but I think it is 3d. now.

3031. Again, the Postal authorities are assisting?—Yes.

3032. *Mr. Scott.*] That is a matter which, I think, we can hardly deal with.

3033. *The Chairman.*] As affecting the Customs only.

3034. *Mr. Scott.*] Your suggestion is that an additional 10 per cent. be put on?—Yes.

3035. Do you think that would have the effect of stopping people importing by parcels post?—Yes; it would make the duty 25 per cent. to those who don't pay an importer's licence.

3036. I presume you are not a tailor, but you are an outfitter?—Yes; we are also tailors, but to a limited extent only.

3037. We had evidence from the tailors that much of the cheaper clothing worn by clerks was about 20s. f.o.b. value at Home?—Our class of business is very much above that, but I know there are cheaper classes. I have seen suits here which cost 6s. 11d. in England.

3038. You are not prepared to say generally that there is a large amount of cheaper clothing coming in?—No, I do not think there is, and I believe the more it is prohibited the better.

3039. Still, the tailors have also their grievances?—I think their principal one is the bespoke tailoring, which is made at Home, and although we carry on that business I should prefer to see such trade confined to readymade articles for outfitters and tailor made goods to the tailors, rather than half and half the making of bespoke goods which are neither one thing nor the other.

3040. You do not know a great deal about bespoke orders?—Yes, I know a good deal. We carried on a business during the whole of the time I have been in business, nearly thirty years.

3041. The parcels post business you think is increasing?—I should say, if you take the volume of trade doing in the Colony; it has not decreased at any rate; but we know trade has been dropping for the last three years, and I do not think the parcels post business has been decreasing correspondingly.

3042. Then I think you said you were penalised in this way; that you have an importer's licence to pay, and all the committant expenses of trading in the country, but the people who import by parcels post escape these charges?—Quite so.

3043. And that if they had the same routine to go through as the importer has in clearing his goods at the Custome they would find it more expensive?—Yes.

3044. So in other words the facilities given by the Post Office are detrimental to the general trade?—Yes.

3045. *The Chairman.*] In making these alterations, would you suggest that importers should not pay the extra 10 per cent?—No, I do not think that is necessary for them to pay it.

3046. You would not recommend that a tax should be put on parcels post except to apply to everybody?—I do not think it is necessary to penalise the merchant, who has already to pay the importer's licence.

3047. But the licence is very small; only £12 per year?—Yes.

3048. How would you deal with the people at Home, who send these goods out through an agency, such as Pickford's; they do not pay an importer's licence?—I think they ought to be licensed.

3049. You could not meet them by a suggestion of that sort?—I think 10 per cent. would meet them, and make the ultimate consignee pay instead of the Commission agent.

3050. You are not very keen in keeping this minimum of 2s. 6d.? You must be aware that half of the parcels which come out are of very small value?—It was merely a suggestion.

3051. Goods of the value of 1s. per instance?—I am quite willing to alter that suggestion to make it reasonable.

3052. I suppose you are aware that, since the persistant enforcement of the new regulations, the parcels post business has dropped considerably?—No. I am not. I know trade has generally dropped, so I imagine parcels post business has done likewise.

In 1903 the value was £656,000; last year it was £268,000.

3053. *Mr. Kayser.*] You said something in your evidence that the regular importer should not pay this surcharge through the post; but won't that lead to some of the regular importers making a special line of this business?—I think they will be perfectly justified in doing so, because they are in this Colony for the purpose of trading, and I think every facility should be given them to carry on their trade. It is the private individuals who are importing behind their back that we want to try and stop.

3054. Don't you think it would be a difficult matter for the Customs to deal with?—They will have nothing to do with third parties; they will have to deal with the general importer, who would naturally get his profit.

3055. The Post Office would have to decide whether a man was a regular importer or not. How would such a list be obtained?—The term importer is interpreted as a man who imports £1,000 worth of goods a year.

3056. And a man might not import that amount until the last month of the year?—Well, say any man who is in business and has a trader's licence or who imports goods regularly.

3057. That is an amendment you suggest should be made in the Licence Act? —Yes.

3058. *Mr. Pyott.*] The suit you import at 40s. cost price oversea, is that factory made or tailor made?—Factory made.

Herman Hilser Ritter, Jeweller, said:

Speaking on behalf of all the principal jewellers and as a deputation from the Mercantile Association, I wish to bring forward the following matters :—

Re Tariff.—The jewellers are content with the existing tariff, and would only like to ask Government for consistency on the present arrangement.

Grievances.—Our trade is adversely and seriously affected by indiscriminate dumping of jewellery, watches, silverware and electroplate through the local auctioneers. I wish to state at the outset that neither I personally nor the jewellers collectively have any intention or reason to cast adverse criticism upon any of the well-known local auctioneers, recognising as we do their mode of business to be perfectly proper and legitimate; but what we would like Government to do is to protect them (and thereby our trade) from being made innocent dupes of so-called smart business people, who make it their business to dump the local market from outside with goods not always correctly described by them, viz., part of the goods so exhibited not being for sale at all, and part being not for sale as advertised without reserve, whereby the public is misled and the local trade is disorganised and curtailed, large sums of money thus being taken out of the town which would under healthier conditions circulate amongst local establishments, for the benefit of the whole community. We consider such sellers to have an unfair advantage over local tradesmen, inasmuch as they do not contribute proportionately to the rates, taxes, licences and other obligatory charges and expenses, to say nothing of the charitable calls levied and made upon local establishments.

Remedy.—As a remedy I would suggest that a list be required by the authorities from the auctioneers of all the goods brought in from outside for sale by auction, setting out all and each lot as exhibited and to be submitted for public auction without reserve, the auctioneers to receive their commission and pay Government dues on the amount realised. I am of opinion that this would at least to some extent meet the case.

3059. *Mr. Tod.*] Do you mean the latter clause to refer to all goods sold here? —No, only those goods which are dumped down here.

3060. From oversea?—Yes, but not only those, but also those from Cape Town and other places overland.

3061. *Mr. Kayser.*] You mean oversea consignments of goods as well?—Yes. I have made observations, and I find that part of the goods exhibited for public sale are in reality not for sale, but for show.

3062. *Dr. Viljoen.*] You mean that they are a decoy?—Yes.

3063. *Mr. Tod.*] You do not propose to deal with these through the Customs tariff at all?—I do not see how it could possibly apply. What we want is to announce to the Commission that these grievances do exist and are a hardship to the legitimate trader.

3064. But it has nothing to do with the Customs tariff?—I was of that opinion myself. We do not wish the tariff altered at all, but that it should continue on the present basis.

3065. I suppose in your business you deal entirely with imported goods?—Yes, we could not lay any pretence to manufacture them, until the population has considerably increased.

3066. And you cannot make any suggestion whereby we can differentiate in the Customs tariff against goods imported for sale by auction?—I hardly think it possible. I think the difficulty must be dealt with locally.

3067. *Mr. Harlow.*] You mentioned the matter of goods for sale by auction, and also local stocks offered for sale. How would you differentiate between the two?—My remark applied only to goods coming in from outside. Perhaps it could be done by amending the auctioneer's licences in some way, that they would be obliged to state where the things come from, and if coming from outside he would have to give a list of the lots to be submitted before the sale, and afterwards it could be seen if they were not sold and a tax put upon them.

3068. You mentioned just now the word dumping. What do you mean by that?—I mean the flooding of the market with goods to the detriment of local trade.

3069. The substance of your remarks is that the persons who attend these sales are often victimised, that they do not get good value for their money?—Yes.

3070. *Mr. Pyott.*] Your whole point is you want to keep out the stuff coming in here to be sold by auction?—Yes.

3071. You would not prevent the merchant from sending certain goods to auction for sale?—Not at all.

3072. But that when sold there they should be compelled to be sold without reserve? No, not in that case; that would only apply when brought in from outside.

3073. You want some protection as an importer of jewellery?—Yes.

3074. But have you ever thought of the difficulty of the merchant who, having imported stuff, held it in stock for a month or more, then sends it up for sale by auction?—There is that difficulty, but I think it may be overcome. It is only the special sales of jewellery and plate that we wish to get at. If a case of such goods was put on by a merchant the whole of it would be for sale for what it will realise, and it would most likely show a loss.

3075. But supposing that we want to help you by stopping those things; what is to prevent an auctioneer going to a merchant and saying, "I will give you 1 per cent. if you will import jewellery for me to sell." How would you deal with a case of that kind?—My aim is particularly to voice the grievance which exists in the hope that the antidote may be found for it.

3076. *Mr. Kayser.*] If the Customs tariff is changed, how long would you suggest it should continue?—We wish it to continue as it is now, and to remain in force for seven or ten years, or even longer; we only wish for consistency.

3077. What would be the shortest number of years?—I think seven or ten; five would be too short.

3078. With regard to your remarks as to dumping, what you want to suggest is that Government should put a higher duty on?—Something of that sort. Or amend the auctioneering law to such an extent that Government get absolute control over what comes direct to the auctioneers, and then impose some tax which will level up the expenses of these importers to those of the local men.

3079. You mean that some charge should be made for covering your working expenses?—Yes. Then there is another grievance; the travelling auctioneer.

3080. *Mr. Scott.*] You do not complain of jewellery sent through the post from oversea?—I wish to support Mr. Badcock's remarks on that point. We suffer a great deal. It was not suggested to me I should speak on that point.

3081. What great advantage has an auctioneer over you in selling goods? He pays a licence and is domiciled here?—He is instructed by the seller, who is generally in the room, and he merely becomes the mouthpiece of the seller; no responsibility attaches to him after the sale is over.

3082. And you think some amendment of the auctioneer's licence will meet the case?—Yes.

3083. But you have not made any suggestion?—No; I am not sufficiently versed in the present licence to do so.

3084. It is difficult to get at them unless we get some suggestion.—He might be compelled to furnish some list of the articles submitted, and made to sell without reserve; this would stop the special sales.

3085. Has this class of business increased lately?—Yes. Just before Christmas too, the market is flooded with such class goods.

3086. Do you think that applies also to furniture, as well as jewellery?—Yes.

3087. *Mr. Harlow.*] The class of goods you sell are not real necessaries of life, are they?—A portion of them are, such as wedding rings, watches, cutlery, electroplated ware, etc.

3088. It would not be any injustice if the tariff were raised?—Yes, to some extent it would, since cutlery, electroplated goods are necessary utensils and cannot be produced in the Colony. Would the Government allow raw material to come in free, such, for instance, as a piece of stamped material for completing into a serviceable article?

The Secretary.] Semi-manufactured article.

3089. *Mr. Tod.*] Do you know if this system of auctioneers' sales affects more businesses than your own?—Yes.

3090. Would you recommend that a special auction duty be placed on all goods imported to be sold by auction?—Yes, if it could be done without militating in another direction.

3091. It would be a little bit of a tax in a trade of that nature?—Yes. I think it would do some good; but the difficulty I see is how can there be a discrimination of that nature between goods imported in the ordinary way and goods imported for auction specially.

3092. *Mr. Scott.*] There is much that comes direct to the auctioneer for disposal?—Yes, that is what we want to keep out.

3093. If these goods have to pay a special duty in addition to the ordinary tariff that would affect them?—Yes.

Henry Albert Miller said :

The auction business as carried on at the present time is a scourge on the trade of the town. I do not consider it is carried on in a legitimate way, and it greatly interferes with the retail business of the town, and in my opinion is not conducted on legitimate auctioneering licence lines. We have about nine auctioneers in the town, and from what I can gather their sales amount to about £30,000 per year. In the paper I have here (the *P.E. Advertiser*) there were last week no less than four auctioneers' sales advertised—one for fine goods, one for men's clothing, one for furniture, and another for fine goods—all in one week. These goods are partly imported by the auctioneers themselves and partly sent to them for sale. The remedy that I suggest is that in every auctioneer's licence granted there shall be a stipulation that he should in no way be directly or indirectly interested in the goods that he is selling, and that when he advertises they are sold for and on account of anybody that that be a fact. The people go to these sales and they not only give more for the articles they buy than they would do in a shop, but that they pay cash for the goods, but when the same people go to a retail shop they get credit; and that is to the benefit of the auctioneer.

3094. *Mr. Scott.*] You mention that they pay cash when they buy of auctioneers, but many auctioneers give credit to regular customers?—Well, the greater proportion of their purchasers pay cash.

3095. I suppose that you are aware most of them must give a great deal of credit—at least that is the case in Cape Town. It appears that there is a great deal of business done in this way, and you think some modification is necessary?—Certainly.

3096. You suggest an alteration in the licence, but I suppose that could only be done by Act of Parliament?—There is another point; that is I understand in Canada that there is a declaration of clearance, that no goods shall be offered for sale by auction until they have been in the country six months, and any goods imported specially for auction purposes have to pay an additional duty. Also I understand that goods imported from America have to pay a larger duty.

3097. But that would be a great hardship to importers if they were not able to sell perishables until six months after they had been imported into the country?—There might be a distinction made between ordinary goods and perishables.

3098. *Mr. Kayser.*] What is your business?—General importer.

3099. You import mostly?—Yes.

3100. What are fine goods?—Drapery, silks, hosiery, gloves, etc.

3101. Do you manufacture anything?—Yes, considerable quantities of costumes and millinery.

3102. Are you in favour of the duty suggested on costumes, of 60 per cent.?—Far from it.

3103. You think the present duty is a reasonable one?—No, I do not think it is; I think 10 per cent. would be reasonable.

3104. But the present duty is 12 per cent. Would you have any objection to a reduction of the present duty on costumes?—Yes.

3105. You consider you would be in a position to compete?—Yes, I think so.

3106. You would be quite satisfied?—Yes.

3107. Do you know what are the charges the auctioneer has to pay at present?—2½ per cent. I think.

3108. To whom?—Government.

3109. Are you sure of that?—I cannot be quite sure.

3110. Well, there are no auction dues now. Do you know what the licence is?—£10.

3111. And that is all he has to pay?—Yes.

3112. And in your opinion something more should be paid?—Something considerable.

3113. On all goods which an auctioneer sells?—Yes. My principal point is that it should be clear that the auctioneer himself has no interest in the goods he is offering, either directly or indirectly. The largest auctioneering firm in town I know, as a matter of fact, never sell goods they have an interest in, on their own account.

3114. Are you affected by the postal imports?—Very largely.

3115. Have you any remarks to make thereon?—You have heard the evidence? —My only point at the moment is that I do not think there are any experts at the Post Office who are in a position to place a value on the goods sent through To-day the goods sent through are very largely undervalued.

3116. But to-day they call for invoices?—*The Secretary:* Yes, nothing goes through.

3117. You have heard the suggestion made that there should be a special duty; are you in favour of that?—Well, I do not like the idea of a special duty, because it appears too much like class legislation; rather I think a special licence should be taken out for all clearances in the Post Office.

3118. *Dr. Viljoen.*] An auctioneer's licence is about £10?—Yes.

3119. What is the licence an ordinary shopkeeper has to pay?—£3 and £12 10s., the former for a general licence and the latter for an importers'.

3120. Of course, in that licence you are able to sell your wares in any way you like; I mean you are at liberty to do so?—I do not follow you.

3121. Well, when I get into your store you are at liberty to say to me, "Won't you buy this, or won't you buy that?"—That is hardly the way one would conduct his business.

3122. I know it is not general, but it could be done?—It could be done, but it is not.

3123. But you have the right to do so under your licence?—Yes, but I think if you went into ten business houses you would find it is not done.

3124. I am perfectly aware of that, but you have the right to do it?—Yes.

3125. Yet you do not want to give the auctioneer the right to do what he likes in the way of conducting his business? He takes out a licence for auctioneering, and not for selling.

3126. Because he must not be interested in the article he is selling you wish to interfere with his business?—No, he takes out a licence to sell other people's goods.

3127. You would like to see the Convention fix the next tariff for a definite period of years?—I think Mr. Badcock's idea of a period of seven years a good one.

3128. A definite period?—Yes, a minimum of seven years.

3129. Are you affected by railway rates?—No.

3130. You are a manufacturer yourself?—Yes.

3131. And you are not in favour of the recommendation to put a duty of 60 per cent. on ready made garments?—No.

3132. *Mr. Pyott.*] You say you are a manufacturer of costumes?—Yes.

3133. And would be satisfied with 10 per cent. duty?—Yes, quite.

3134. Is that over and above the import duty on the raw material?—Yes, that is giving us a preference of 10 per cent.

3135. You are not in a position to compete with imported costumes landed on the same duty as your raw material?—No, we are not.

3136. So you want practically 22 per cent. duty?—Yes; a 10 per cent. preference between the raw material and the manufactured costume.

3137. *Mr. Kayser.*] Then you were wrong in saying to me that you were satisfied with the present tariff?—What I mean is that we want 10 per cent. on the present tariff.

3138. But you told me you were satisfied with the present duty?—I could not have understood you.

3139. *Mr. Pyott.*] You feel that costumes cannot be made in competition with the outside market on a level duty; on the raw material plus the manufactured article?—No, they cannot.

3140. How do you propose to deal with this class of unfair competition from auctioneers?—I think the best way is by having it set forth on their licence, that whatever they sell they have no interest in, either direct or indirect.

3141. How are you going to get over such a difficulty as the merchants importing for the auctioneers?—When the goods are cleared at the Customs a declaration should be made that these goods were not to be sold by an auctioneer within six months, unless they were perishable.

3142. Because you see it is quite possible for an auctioneer to make an arrangement with a merchant to go half in the profits?--Yes.

3143. *Mr. Harlow.*] Do these auctioneers keep places of business here, as auction rooms?--Yes, and some of them keep small stocks, which is really what they import and is left over from sale to sale.

3144. Then they do pay rent and taxes?—Yes; but of course their places are very small.

3145. Do they conduct any private sales in their rooms?--The small auctioneers do; the majority of them do.

3146. Sell out of hand?--Yes.

3147. Do you say that other traders do the same thing, sell in their own premises?---Yes.

3148. If these auctioneers pay licence, rent, rates and taxes, they are on the same footing as a trader?—The upkeep of their establishments is very small compared to a draper's. There is only a clerk, and we have to employ in a shop thirty or forty people.

3149. It has been said that some of an auctioneer's goods are inferior in quality?-I would not like to say that.

3150. In reference to the manufacture of goods, don't you think if the tariff had 10 per cent. added to what it is now you would be able to manufacture a great deal more articles?--You mean that it would tend to the making of a good many more articles here, such as costumes; yes.

3151. They would be made up here in this country?--Yes.

3152. Would that increase the cost to the consumer at all, if you had this 10 per cent. added? No, I do not think it would.

3153. How would you get over that?--We should be able to turn out a much larger quantity of goods, our business would be increased, and working expenses would consequently be lower. An instance occurred the other day, when we lost an order to a Bond Street firm because we were higher; if we had had that 10 per cent. duty on we should have been able to have got the order.

3154. What class of labour do you employ?—European women.

3155. How do the wages compare here with those paid oversea? -Fully three times as much over the Home wage.

3156. Three hundred per cent. higher?—Yes.

3157. They are making good wages then? -Yes, too good.

3158. *Mr. Tod.*] What you really wish to impress on the Commission is the selling done by the auctioneers?—Yes.

3159. In the event of a duty being put on, you would make it apply to all classes of goods?—All classes of manufactured goods.

3160. Would you not be prepared to recommend that the duty apply only to imported goods?—Yes.

3161. Then that would certainly tend to discourage these auctions?—Yes.

3162. It is the dumping down of goods at auction sales and the attracting of people to them that you object to?—Yes.

3163. Would you be prepared to say what duty should be placed on goods imported for sale at auction marts?- 5 per cent. at least.

TO THE CHAIRMAN AND MEMBERS OF THE CUSTOMS TARIFF COMMISSION.

The Petition of the undersigned members of the Port Elizabeth Mercantile Association and others, respectfully sheweth :—

1. Your Petitioners desire to bring to your notice the hardship, loss and detrimental effect upon trade in this Colony, and particularly in Port Elizabeth, caused by the frequent auction sales of new goods consisting of drapery, outfitting, furniture, silver plate and other articles of commerce, which appear to be specially imported for disposal by auction sale.

2. This form of competition is, and will be, a serious menace to the legitimate interests of retail traders in this town. Business houses are compelled to keep large stocks, premises and staffs, and naturally are unable to sell goods at the small proportion of profit which such goods sold by auction realise.

3. Your Petitioners consider this matter to be one of vital importance and that it is a matter which can suitably be dealt with by the members of your Commission. Your Petitioners believe that the Canadian tariff specially deals with matters of this kind.

4. Your Petitioners also desire to bring to your notice the fact that the parcels post trade from Great Britain and elsewhere also constitutes a serious handicap to the legitimate trader, in so far that ordinary importers are obliged to take out and pay for licences, whereas individuals can import parcels of soft goods, clothing and such like articles without being obliged to pay more than the ordinary duty and Customs clearance. Your Petitioners respectfully recommend an importing charge or licence of 10 per cent. or a minimum of 2s. 6d. to 5s. on all goods imported in this manner by persons other than those who are the holders of a licence, plus the usual duty.

5. And your Petitioners assure themselves that the members of your Commission will take the statements contained in this Petition into earnest consideration and they trust that you may be able to find and recommend some suitable relief for the protection of the interests of the retail traders.

Dated at Port Elizabeth, this 4th day of November, 1907.

W. M. Cuthbert & Co., Ltd.
John McCoy.
Baker & Co.
A. C. Scott & Co.
H. D. Wiley.
H. Ritter & Co.
W. Don.
J. Johns & Co.
Crockarf & Johnson.
Hoy & Griffiths, Ltd., E. F. Hoy, Managing Director.
Albert E. Adey.
M. H. Peters.
Jas. Brister & Co.
Marshall & Co.
Coop, Pax
Co-op. Far. Whse., pp. H. D. Morley.
Lennon Limited, R. Bradford, for Managing Director.
Wright & Milburn.
J. C. Kemsley & Co.
For T. Birch & Company, Limited, J. W. Badoock.
For Cleghorn & Harris, Ltd., P. H. Waddell, Manager.
K. James & Co.
I. Joseph & Sons.
Geard & Co.
Wikon & Deans.
pp. A. Fischer & Co., E. Kensit.
Ewen, Lloyd & Co.
N. L. Lithy.
F. C. Way & Co.
Edwin, B. Parker & Sons.
A. E. Smith & Co.
Crage & Morgan.
Per pro J. C. Juta & Co., Frank King.
Per pro Hepworths Ltd., James Beer.
Bisseker, George & Co.

Sail and Tent Making.

William Pirie, trading as James Pirie and Co., sailmakers, etc., examined.

3164. *The Chairman.*] Will you state to the Commission what change you suggest?

Witness.] I have no protection. Even since this Customs duty has been in force I have had to pay the same duty on raw material as has to be paid on the ready-made article coming into the country from British possessions, namely, 12 per cent. The duty on American cloth is 15 per cent., and they can send out the article readymade for the same duty. Therefore I have no chance of competing against them.

3165. *Mr. Tod.*] Of course, you know that has been the general rule under the last tariff?—Yes, quite so.

3166. The raw material is admitted at the same rate as the manufactured?—Yes. I think something should be done to differentiate between the unmanufactured and the manufactured article.

3167. How much difference would you suggest?—I think 25 per cent. should be put on the ready made article and 5 per cent. on the raw material.

3168. You want the raw reduced?—Yes.

3169. But you know the Colony wants revenue?—Yes.

3170. Won't it serve your purpose quite as well if you have a differentiation?—I should not think so; if we could get the material here it would be a different thing.

3171. But you only want your labour protected as against oversea labour?—I do not see that it is.

3172. If you get a differentiation it will apply to the raw article as well as to the labour in it?—I see.

3173. If you import at 10 per cent. *ad valorem* duty for raw material and there is 20 per cent. on the manufactured article, you get your raw material in at 10 per cent., but your competitors have to pay 20 per cent. on the raw material they have made up?—For instance, tents come into the country at the same rate as the raw material does; the same with wagon and ship sails. If a ship puts in here for sails, the owners can import them free of duty, while if we supply them we have to pay duty on the raw material.

3174. How is it you do any business at all against the imported articles?—Well, the business is very much cut up by the imported articles.

3175. But you do some trade?—Yes.

3176. I suppose it is in special lines?—Yes, when they cannot wait to get the readymade article.

3177. Do you manufacture wagon sails?—Yes, pretty well everything in the canvas line.

3178. There is no special difficulty in your business? You could manufacture everything used in the country?—Yes, as long as we have the material here to do so.

3179. I think it would be a guide if you say what differentiation would be sufficient to enable you to compete against the imported article?—I do not see how we could do with much less than 25. It is very nominal.

3180. If the duty remain at 12 per cent. on the raw material, you mean you would want 37 per cent. on the manufactured article coming in? That is a very high protection?—Well, the tailors ask 45 per cent. against bespoke goods.

3181. It means that the consumer in the country would have to pay this enhanced price?—Yes, I suppose so: but it would give an opporunity for the employment of more men in the country.

3182. But if you get that protection the goods would cost half as much again to the consumer. Do you think we should be justified in recommending such a thing?—Yes; I do not think it would be out of place. Look at the protection duty in Australia.

3183. You cannot give us any figures?—No, but that is what I am told by people who come from there. In New Zealand it is 50 per cent.

3184. *Mr. Harlow.*] Do you find any disadvantage from Government importing ready made tents, etc.?—Yes.

3185. Can you give us any idea of the amount they import?—Well, I cannot: but I think they import a very large quantity. For instance, all the truck covers are imported. Then they import a lot of tents for the men repairing the line. We only get a chance of competing when the Government run out of tents.

3186. Do you find any difficulty in getting labour?—None whatever.

3187. There are plenty of good sailmakers here?—Not plenty, what I call good men who can do the work.

3188. What is the rate of wages they require?—I have paid as much as £3 10s. per week for a good man.

3189. And the general class of labour?—From 5s. 6d. to 6s. per day.

3190. Coloured?—I do not employ any coloured labour.

3191. So you suggest a tariff of 25 per cent.?—Yes, I should say it would be fair.

3192. Do you think it would have a tendency to cause tents and sails to be made in the country?—Yes, I think it would.

3193. And what would be about the difference in the price? Well, the Colonial-made sale would be very much cheaper.

3194. It would?—Certainly, very much.

3195. It would really cost the consumer no more than it does at present time?—No, not unless he wanted to go for the imported article; then he would have to pay more for it.

3196. *Mr. Pyott.*] You say you are paying 15 per cent. on your cloth for America?—Yes.

3197. And suppose a tent or sail, or wagon cover came in here from England; what duty would you have to pay? 12 per cent.

3198. So if you import your raw material from America, you are practically paying 3 per cent. more for it than you would have to do if you imported the finished article from England?—Yes.

3199. But does sailcloth come from America?—American duck comes from America.

3200. Is it preferable to English?—Yes, it is a different class of thing.

3201. Do you use American duck in your business?—Yes, more than with English cloth.

3202. You are doing a considerable business now, are you not? Not at the present time. Things are very dull.

3203. Can you tell us why that is? I put it down to the imported article.

3204. You only get orders that cannot be waited for?—Yes.

3205. You have no difficulty in getting plenty of sailmakers here?—No.

3206. Your wages are from 5s. 6d. to 6s. 6d. per day?—Yes; that is ordinary seamers who can do ordinary work: but a good man I pay £3 10s. per week.

3207. Experienced sailmakers?—Yes.

3208. Do you think that is a fair wage, 5s. to 6s. 6d. a day?—Yes, for ordinary seamers.

3209. Do you think 25 per cent. is necessary to give you the work in the country?—Yes, I think so.

3210. But what is the minimum which would give you the labour in the country? This Commission has got to see that no injustice is done to the people of the country. What is the lowest possible minimum which could give the trade to the country?—Well, I do not see how I can make any other suggestion on that point.

3211. You want 25 per cent. differentiation?—Yes.

3212. Do you think 20 per cent. would cover you?—Yes.

3213. You could compete for practically all the work going on here?—Yes.

3214. In the event of sailing vessels coming in here, would you suggest that duty be rebated?

The Secretary intimated that it could not be done.

3215. *Dr. Viljoen.*] Have you got a factory here to make sails?—Not a factory.

3216. A business place?—Yes.

3217. Are you the only firm?—No, there is another firm. Mine is the oldest established business.

3218. How many men are employed in the business?—At the present time I have only an assistant, and I have not sufficient work for him.

3219. And the other firm?—I cannot tell.

3220. Have you any idea how many men are employed in this business in the Colony —No. I cannot; but I believe the railway employ a good many for repairing in the Naauwpoort district; about 20 altogether.

3221. But these men are employed in Government works?—Yes, of course. I have had as many as 20 men working for me.

3222. Is any of the material used in sailmaking made in the country?—No, sir.

3223. All imported?—Yes.

3224. You said if you were given this 25 per cent. additional duty, above the raw material, you could manufacture the article here and sell it cheaper than the imported?—Yes.

3225. Can you explain how that would be done?—We would save the duty on the raw material.

3226. That is 12 per cent. and 15 per cent. from America?—Yes.

3227. But you do not quite follow what I mean. The imported article pays 12 per cent. from British possessions and 15 per cent. from America. You are going to charge an additional to that 25 per cent. on the raw material?—Yes.

3228. And still you can undersell the imported article?—Yes.

3229. How do you explain that?—The imported article will come in at a higher rate.

3230. You do not propose to disturb the present tariff on the raw material?—Yes, reduce it to 5 per cent.

3231. On that basis you can make the article cheaper?—Yes.

3232. *Mr. Scott.*] Do you import your canvas?—Yes, everything.

3232A. Direct?—Yes.

3233. And have you any machinery in your factory?—Yes, machinery; but not factory machines.

3234. But supposing the tariff were altered as you suggest by giving you 25 per cent. benefit over the raw material. Would that have any effect on your factory?—Well, I do not know; for all present purposes the machinery I have answers my trade purposes.

3235. They are quite sufficient?—Yes.

3236. Do I understand the Government import all their tarpaulins and tents?—Yes.

3237. They require a great many for the trucks?—Yes; to cover the goods.

3238. What effect would it have on the Government?—It would not affect them, because their goods come in duty free.

3239. Can you make all these tarpaulins here?—Yes.

3240. With a large output you think you could bring down the price?—Yes., the profit would be less.

3241. There is just an evil in fixing your tariff too high. There are firms in the country who are canvas manufacturers and who also make sails?—Quite true.

3242. And you will get extreme competition if you ask for a too high tariff?—That is where the injustice comes in, that have factories at Home, and have their manufactured goods brought out at the same duty.

3243. Such things as wagon sails and all that sort of covering, can they be made here?—Yes; they used to be years ago.

3244. Has the industry gone back?—Yes, considerably.

3245. And what was the cause of that?—Owing to the imported article coming in at the same rate as the raw material. I have never had any protection as between the raw material and the ready-made article.

3246. Are there many things grown in the country from which you can make canvas?—None whatever.

3247. Is yours a trade to which one could apprentice a young man?—Yes, if there is sufficient to do.

3248. If you had sufficient work?—Yes.

3249. How long would you like to see the tariff exist if any alteration were made?—From seven to ten years, I should say.

3250. Is there much sail-making for vessels?—Very little.

3251. But it was a considerable trade at one time?—Yes.

3252. *The Chairman.*] How do you explain your statement that the trade has gone back owing to the duty, when there has never been any difference; it has always been the same?—There has never been any protection as regards myself. Ever since the war there has been a lot of imported articles dumped in the country. The Military brought in a lot of tents and sails, and these have taken the place of the work which used to come our way.

3253. *Mr. Pyott.*] Supposing the Government had to pay the usual duty on sails of 15 per cent. instead of getting them free, would it give any employment to the men in the country?—Yes.

3254. Even 15 per cent.?—Yes.

William Wallace Steers, partner in the firm of John Watson & Co., Sailmakers, examined.

3255. *The Chairman.*] Have you any different views to the last witness's to give to the Commission?—Not very much; only we wish to emphasise the fact that we are very much handicapped on account of the imported finished article come into the country at the same rate as the raw material. In our special line of tents, these can be imported at considerably less than we can make them for. Also in the line of tarpaulin and wagon covers; these are all made on the other side of the water, and dumped down here at considerably less than we can make them for. Then there are water bags, which can be imported at 1s. to 1s. 6d. per dozen less than we can make them. On this account we consider we should have some protection, and if we did it would be the means of employing more labour in making these articles here, instead of having them imported and dumped down here, under-selling the Colonial-made article. As to the importations of the Government, this is a line which affects us very much. They import tents and tarpaulin free of duty, which means that they get them here at less than we can make them for. The same applies to ships' sails; these are imported and supplied to the ships without any duty being paid on them. Under these circumstances, how is it possible for us to compete?

The Secretary said that was the case all over the world with regard to ship's sails; they were ex bond.

3256. *Mr. Tod.*] You heard what the last witness said regarding duty. Do you agree with him?—Yes; I think there should be 20 per cent. between the raw material and the imported article in a manufactured state.

3257. *Mr. Harlow.*] You substantiate what the last witness said regarding wages?—Yes, practically.

3258. Five shillings per day?—Yes.

3259. I believe the last witness said you have a great deal of competition from America, owing to the ready-made article coming in?—Yes.

3260. Only from America?—I cannot answer definitely, but some come from England and Germany.

3261. Can you explain how it is that you cannot compete with those places when your wages are practically lower than in England, where a good sailmaker gets from 6s. 6d. to 7s. per day?—No, sir; our experience is that the difference in wages is a matter of more than 25 per cent.

3262. Then you complain about the American trade, where the wages range from 8s. to 12s. per day?—I cannot answer that.

3263. Is 5s. 6d. a fair wage for white men?—It is not a fair wage.

3264. Would there be any tendency to raise the wage if you got this protection you are asking for?—Possibly.

3265. And that would not increase the price to the consumer?—We do not consider it would very much, at any rate.

3266. And you suggest that the Government pay duty on their imports?—Yes.

3267. *Mr. Pyott.*] With reference to ship's sails, to enable you to compete would you suggest a rebate on the canvas you use?—It is not possible to do so.

3268. It is possible to do anything?—Yes, but it is not done.

3269. It could be arranged through the Government. Supposing we suggest a rebate on the canvas, would that enable you to compete for ship's sails?—It would assist us very much.

3270. *Mr. Scott.*] What percentage of labour is there in the common tent or tarpaulin as compared with the raw material?—About 30 per cent.

3271. I think you have answered this question; you would be satisfied if the duty were reduced on the raw material?—Yes.

3272. *The Chairman.*] You suggest that the Government should pay a duty on their imports. What difference would that make? It is only taking the money out of one pocket and putting it in another?—Yes, but it would give us a chance to compete.

3273. How do you account for the fact that there is four times as much canvas imported as manufactured articles? Does not that show that most of the things are made here now?—Not necessarily.

3274. What becomes of the canvas and duck then?—A very large quantity of the finished article is imported.

3275. But only a quarter of the quantity imported. The value of the raw material was £34,000, and of the manufactured article £87,000. That must show that the bulk of the work is done here?—Yes, it would, but, as I said just now, we wish to increase the work of the industry being done here. Why should the duty on the raw material be the same as on the imported manufactured article?

Salt.

William Stockwell Stead, representing the Port Elizabeth Salt Pan Co., in reply to a request from the Chairman for a statement, said:

The first matter I wish to allude to is that under the Customs Tariff sodium chloride enters the Colony free, but nearly everybody knows that sodium chloride is common salt, and I do not think it was the intention of the Convention to allow common salt to enter free when sodium chloride was dealt with. It has been a very serious matter so far as the Colonial Saltpan is concerned.

The Secretary.] Common salt is Sodium Chloride, and comes in at the same rate as sodium chloride.

Witness.] As to table salt, I do not think it is fair it should come in at 3 per cent., because salt is a natural industry of the country, and can be produced all over the country. The imports for ten years for Cape Colony average £10,000 a year. If that were spent in the Cape Colony, or even half of it, it would mean employment of labour to the extent of, roughly, some thousands of skilled whites and unskilled coloureds. Speaking for our own firm, if we could obtain a share of that £10,000 for our salt we should be able to employ four times the number of men we employ at present. It would mean that our company would spend more money in improvements. We could turn out salt which would supply every man in South Africa. It would mean we could develope the salt pans and possibly take up pans in other parts of the Colony, and of course it might be said that the salt pans of Cape Colony could not produce sufficient to meet the demands, but that has not been proved, for the simple reason we have never been encouraged to spend more money on our pans. There is not a single bag of Colonial salt used in any of the coast ports, for the simple reason that Continental and English salts can be dumped down, either as ballast or at a very cheap rate of freight, practically free of duty. There is a very large quantity of imported salt used by the produce people, and this could be turned out in thousands of bags in Cape Colony. It is only lately that we have supplied a biscuit factory in Port Elizabeth with a few bags of our salt, and they state the salt is 25 per cent. better quality, of greater strength, than the imported salt. So it means if we get protection by duty, we can employ ourselves a very large number of men. At present I may say we are the main support of a village not far from Port Elizabeth—Bethelsdorp. The population of that town is about 500; we have kept them in employment, and it has been a great relief to Port Elizabeth that we have kept them in employment; it has kept the coloured population off the streets and enabled them to earn a living. Not only have they derived benefit in the province of labour, but they are cultivating their own plots in the parish. Four or five years ago the place was almost deserted, but to-day at least 100 plots of ground are under cultivation and showing very good results.

3276. *Mr. Scott.*] Can you give us any approximate idea of the capital involved in your trade?—£20,000.

3277. It is a lot of money. How much do you spend in labour?—Generally about £100 per week, but during the working season the amount runs to between £300 and £400 per week.

3278. What do you mean by working months?—From about the 1st of this month or next, until about the end of March or April, the hot weather months, we will be spending something like £300 per week. The average for the off season has been £60 per week.

3279. And all that is spent locally?—Yes, in Bethelsdorp and Port Elizabeth.

3280. You cannot get the coast trade on account of the cheap freight on imported salt?—I do not believe we have sold 10 bags to a local produce merchant.

3281. Are the local merchants prejudiced against your salt?—No.

3282. What can you sell at?—We can deliver for sale in Port Elizabeth at about 30 per cent. over English cost.

3283. What would it cost the merchants?—6s. 6d. to 7s. for a 200 lb. bag.

3284. And what amount was in the bag you gave me at 4s. 6d.?—200 lb. net weight.

3285. So he would be paying 2s. a bag more for your salt?—The local man would to support the industry.

3286. Do you know anything about the salt pans in the Western Province?—Only from what I have gathered from men connected with them. I have a pretty good idea of what they are.

3287. Do you know if they are asking for any encouragement in their salt pans?—I do not know. Up-country they are applying their salt locally—I mean Scombie and Maraisburg and surroundings; therefore, you do not think they will ask, excepting on table salts. The amount of table salt imported into the country is enormous, and therefore is no reason in the world why we should not supply it if we get some encouragement. Our firm is prepared to spend hundreds in laying down plant, etc., for table salt if a duty is imposed.

3288. Have you told the Commission what protection you want?—No.

3289. Can you suggest how much?—In Australia it is 15s.

3290. Would that be enough for you?—No; their labour is cheaper, and we have to pay our labour heavier.

3291. Why is that?—They have a larger population.

3292. As a matter of fact, you want 2s. per bag, and then it would not stop the importation?—I think 1s. 6d. per bag would be sufficient. We do not wish to increase the price of our salt. So long as we have fair competition with the English salt, that is all we require, as we know ours would take as soon as it came down to the level of English salt. Liverpool salts here lands at about 5s. 6d.

3293. What does salt sell at per lb. in Port Elizabeth?—We do not sell retail, but the price is 1½d. per lb., English salt. None of ours is sold retail in Port Elizabeth. We want to get our fine salt into Port Elizabeth.

3294. If the wholesale price of the imported salt is 1s. 6d. per bag more—9d. per 100 lb., that would give us the coast trade.

3295. Do you think it would be sufficient?—Yes, by being able to dispose of the salt at coast ports it means that the wealth of the country is increased by the money we spend in labour in the different villages, or at the pan. If we spend an extra £100 per week it means that the labourers are going to spend this sum in necessaries or luxuries, whereas at the present time you are getting no revenue, and you lose the extra spendings of the labourers. We wish for protection on table salt. There is no reason in the world why we cannot produce it. There are firms in the country ready to put down plant to manufacture table salt.

3296. *Dr. Viljoen*] There is an enormous quantity of salt produced in the Western Province and in Orange River Colony?—Yes; but it is not used in Cape Town.

3296A. It is used for the cattle?—Yes; but if you can get a coarse salt dumped on you at 4s. 6d. per bag you are not going to support your own saltpan if you have to pay a little more for the article. Of every 100 bags used in Cape Town not five are Colonial.

3297. Why?—Because it is dumped as ballast, and the freight is very low, with free access to the country.

3298. Would it not meet some requirements if there was a reduction on the railway?—We have got ½d. per ton per mile, and that is the reason we can sell our salt. Twenty miles from the pan, and not close to them.

3299. *Mr. Tod.*] How long have you been in business?—Six years.

3300. You began in a small way?—Yes.

3302. You are now doing all right?—Yes, under existing conditions, but not in the coast markets. We can turn out 50,000 or 60,000 bags, sufficient for the country; but we could do more, and provide more employment for labourers.

3301. And you have never been doing more than you are to-day?—No.

3303. And if the differential rate is taken away, what then?—We would have to close our pan; we could not carry it on.

3304. What amount of duty would you require if the differential railway rate was taken off?—£2 per ton.

3305. Is it a costly process to make salt in this country, compared with other countries?—We have to depend on the atmospheric conditions, the sun and weather; but if we can get protection on table salt we could put down a plant.

3306. So if we want to have our salt provided in South Africa we must make up our minds to pay more for it?—In the end it will be a saving.

3307. How are you going to reduce your cost of production? You cannot get your labour at a less cost?—We should handle more, and then cheapen the production. Our employees are paid mostly by piecework.

3308. But you won't get unskilled labour for less than 15s. or £1 per week in Australia?—I do not know.

3309. How many men do you employ altogether?—During the salt season we employ between 200 and 300.

3310. How many white men amongst them?—About three white men.

3311. *Mr. Harlow.*] In reference to the villages you mentioned—is it your property?—No.

3312. Have you an unlimited supply of unskilled labour?—Yes, I consider we have.

3313. Have you any skilled labour there at all?—Well, you would call the pan manager a skilled labourer.

3314. Supposing you get this tariff, as you suggest, it will really increase the cost to the consumer?—It will, a trifle; but if you increase the cost to the produce merchant it is very little, and to the consumer of table salt it will be a very small thing.

3315. You are 2s. to the bad a bag at present?—1s. per 100 lbs.

3316. Don't you think there would be a tendency on the part of the retailer to charge at the rate of 4s. or 5s. a bag more?—I do not think so.

3317. *Mr. Pyott.*] The duty on table salt to-day is 15 per cent. To what do you want to increase it?—Another 15 per cent.

3318. Thirty per cent. would cover you?—Yes. It is possible to produce a table salt from the South African pans, but there is a difficulty in regard to the tins; the Colonial maker cannot turn them out equal to the English makers, and if we put a good salt into a bad tin we cannot sell it. We cannot at present get a good tin in the Colony that we could use as a saleable article for our product. To import the tin would be an enormous cost; the freight is heavy, about 125 per cent. on the tins.

But you will have to do the same as the jam-makers have had to do, make your own tins.

Witness.] I should like to add we employ men, women, and children to gather aloes for medicinal purposes. Our product was the only one of this class which gained a bronze medal at the London exhibition. It is of the finest quality.

GRAHAMSTOWN, 13th and 14th November, 1907.

PRESENT:

GEORGE WHITAKER, ESQ. (Chairman).

C. F. Kayser, Esq.	J. Pyott, Esq.
C. E. Tod, Esq.	G. A. Scott, Esq.
Dr. A. G. Viljoen.	J. Harlow, Esq.

G. Owen-Smith (Secretary and Customs Adviser).

Agriculture and Horticulture and other Farming Industries.

Arthur Wingfield Douglass, Farmer, President of and representing the Koonap Farmers' Association, examined:

3319. *Chairman.*] Your evidence is on agriculture?—Yes.

3320. Would you state the points you wish to bring forward?—I would like to speak for my Association—the Koonap Farmers' Association—of which I am President. We are only too pleased to meet this Commission if possible. With regard to meat and butter, which have been our special lines, we have always had a unanimous vote in favour of protecting those two lines. We have always held that there is sufficient stock in the Colony now to supply our own meat, and with regard to butter the same thing holds good—that as long as you pour the imported butter in it is simply turning the farmers from dairy farming, and compelling them practically to go in for ostriches and other lines of farming. Take the present price on the market here. Of course, as you know, there is a drought on. The argument may come in that but for the Argentine butter, butter would be prohibitive. Well, that is one of the reasons why farmers have gone away from the butter making, because it does not pay as a rule. The moment our prices go up they flood the market with Argentine butter, and the moment the prices go down it practically does not pay us. Taking the high prices with the low, dairy farming would pay if we could prohibit the imported butter from coming in.

3321. What duty do you want on meat and butter?—We would like 2d. on each.

3322. There is 2½d. on butter now?—I did not know that.

3323. You want to increase the meat duty to 2d.?—Yes.

3324. *Mr. Tod.*] Have you considered cheese at all?—I make cheese and I do not think the time has arrived to put a duty on it. I have very grave doubts whether we will ever make a good enough cheese in this country to supply the market. I have been making cheese for a great number of years now, and I do not think we will ever make really first-class cheese as far as my actual experience goes. Our conditions of climate are against it. You have to sell a cheese young, and if it is not used at once after being cut, it crumbles. None of the Cape cheese I have seen will stand exposure. The grocers and everybody complain of the cheese crumbling, and, therefore, not being saleable from their point of view, because of a certain amount of waste. Whether that has to do with our climate or what I do not know. From personal experience, I do not think we will ever make a really first-class cheese in this country. We can make a cheese, but I do not think the time has arrived, or will arrive for a long time, to put a duty on cheese. I may say I am the only maker of cheese in these parts. There was the same complaint about the cheese from the Secretary of the Civil Service Club in Cape Town; he said that the members spoke highly of the cheese when it could be consumed at one meal, but if it had to be kept several days after being cut it crumbled and turned a slightly different colour.

3325. *Dr. Viljoen.*] Do you think we will produce sufficient butter here for the requirements of the Cape Colony?—Certainly, if we are backed up. Anything under 1s. a pound does not pay.

3326. You mean a protective duty?—Yes.

3327. You have a protective duty of 2¼d. a pound?—You would think that would be sufficient, but it is not. The fact remains that Argentine butter is being poured in. The moment the prices go over 1s. 6d. it is very favourable to dairying, and when below 1s. it is not worth milking our cows.

3328. Can you suggest what duty would protect you?—I would not like to say right off. Of course we prefer to keep it out totally, but that is not the game. What we feel is that it does not pay us, with the uncertainty as to being flooded with Argentine butter.

3329. Anyhow, you think the present duty is not sufficient protection and encouragement for the Colonial maker to compete all the year round. That is your position?—Yes. It does not pay to make in good seasons and it pays us hand-over-fist in bad seasons like this.

3330. Have you been associated with any creameries?—No; we have no creameries here.

3331. Of course you are not in a position to give evidence as to the butter keeping under cold storage?—No; I have no personal experience.

3332. Now, with reference to the duty on meat, I understand you to say you are in favour of its being raised to 2d. That would be in accordance with a resolution of the House passed last Session?—Yes.

3333. For what reason do you propose this duty of 2d.?—To keep our meat more or less to a uniform price.

3334. Have you got a difficulty here in disposing of your livestock?—Not a great difficulty. In Grahamstown we have the best market in South Africa.

3335. Generally speaking, have you been in communication with the pastoral and sheep farmers in other parts of the Cape Colony?—I am a sheep farmer myself.

3336. Have you been in communication with the pastoral and sheep farmers in other parts?—Yes. I have just come back from the Agricultural Union Congress in Pretoria. I attend all the Congresses.

3337. What is their difficulty?—Their difficulty is that they cannot sell the sheep.

3338. Have you studied the question of a bounty on the export of butter?—I do not care about bounties at all; I am entirely against them.

3339. I am talking of the export bounties?—Bounties in any shape or form.

3340. Does your Association grow fodder for sale?—No; we are purely stock farmers.

3341. All the fodder you grow is for your own consumption?—Yes.

3342. You are not in a position to tell us anything about fodder?—No.

3343. Have you anything to do with the growing of potatoes?—Yes; I grow them largely.

3344. You are aware a duty was put on potatoes at the last Convention?—Yes.

3345. Has that been of assistance to you?—No. Last year our potatoes were absolutely unsaleable.

3346. Will you tell the Commission what potatoes realised last year?—They did not pay for the seed.

3347. Can you give an idea of what a bag of 150 lb. fetched here?—I sold tons of potatoes here last year and in Kimberley, Johannesburg and Port Elizabeth, and in Grahamstown they were selling for, I think, 3s. 6d. a bag of 150 lb. I sold enormous quantities in Kimberley and they just paid for the carriage.

3348. And Johannesburg?—Exactly the same.

3349. Potatoes are really cheaper now than before the duty?—Yes.

3350. Do you think 2s. per hundred pounds on potatoes is sufficient protection?—Quite sufficient.

3351. You are satisfied with that?—Yes.

3352. I ask you because another witness of the co-operative association of Port Elizabeth, was not quite satisfied with that. As far as you are concerned you are satisfied?—Yes.

3353. You do not think the present state of affairs is due to insufficient protection?—No; it is the glut.

3354. Has the last duty on potatoes been an incentive to the farmers to put more into the ground?—I think so, decidedly.

3355. So the consumer really did not lose by the additional duty being put on?—No; he benefitted.

3356. Is there anything else in connection with agriculture you want to mention?—You do not deal with irrigation, of course. The opinion of our Association is that until irrigation works are forced on, creameries or co-operative works are never going to advance. You must first get your irrigation works and closer settlement. Our farms are so huge that you cannot co-operate and cannot have creameries or anything of the kind.

3357. When you say " you " do you mean the Government?—I mean the Government must assist the farmers in the irrigation work.

3358. You have at present certain assistance in the Acts?—We have, but we cannot get the money.

3359. Theoretically, the thing is all right?—Theoretically it is correct except that we do not get the money ; we get the scheme passed and cannot get the money.

3360. We want to find whether there is still a grievance in the theoretical part of the work or the practical part. In the theoretical part of the work—on paper—you have sufficient assistance, but in reality you cannot get it?—Yes ; and until we get irrigation we can have no co-operation or creameries.

3361. You know that is due to the depressed financial conditions of the country, and we hope that is only a temporary thing?—Quite so.

3362. Is there anything else?—I do not think so.

3363. Would your Association be in favour of any of the contracting parties to the Convention contracting out of it in any particular line, such as wheat and meat, when there is a famine? I do not know whether you follow me?—No.

3364. *Chairman.*] The other States suspending them in times of famine—a sliding scale?—Certainly.

3365. *Dr. Viljoen.*] In cases of absolute necessity?—Certainly.

3366. At the last Convention the power was given to any of the contracting parties to increase the duty on meat from 1d. to 2d.?—Yes.

3367. You are in favour of that?—Yes.

3368. And lowering it again to 1d. in case of necessity, or suspending it temporarily?—You must do it.

3369. Are you in favour of the next Convention going on to any fixed minimum period?—I would sooner not answer that.

3370. You know the Colonial produce enjoys a special preferential railway rate?—Yes.

3371. Are you in favour of the retention or abolition of that?—Retention, certainly. We get a big pull out of that. That gave me a big pull in regard to cheese-making.

3372. That is another form of protection you get?—Certainly. That helped me tremendously.

3373. *Mr. Pyott.*] In regard to potatoes, what was the reason you could not get a price?—The whole market was glutted owing to the good season.

3374. For supply?—Yes.

3375. You are at present getting 1s. 7d. to 2s. for butter?—I am getting from 2s. 4d. to 2s. 10d. at the present time.

3376. During last season you had to take as low as 7d. to 10d.?—Yes, and that is why I had a cheese factory. We make it a rule that as soon as it falls below 1s. a pound it does not pay, and we make cheese. I will never sell butter at less than 1s.

3377. You know butter is costing 1s. 9d., and we can land it in this country for 1s. 3½d.?—It may have been. At one time I think you could sell it at 1s. 3d.

3378. Is it not possible to keep this butter against the cold season?—Yes.

3379. Have you no cold storages?—No.

3380. Suppose you had creameries?—We are too far apart ; but if you had closer settlement you can have them. You cannot have co-operation with the huge farms so far apart.

3381. The difficulty we find with the Colonial butter is that there are too many different grades of butter?—Quite so, and you will always get that.

3382. Until we have co-operation in creameries?—And for creameries you must have closer settlement. Take a creamery being supplied from twenty miles with cream. Do you mean to tell me the cream from twenty miles will not be inferior to that from three miles? So you will get the same thing with the creameries as if it is made individually. The cream coming from twenty miles by cart will not be so good as that from three miles ; the jerking about will affect it.

3383. In Kimberley, as a matter of fact, they take the cream something like sixty miles?—It will be very poor butter.

3384. You are not in favour of increasing the duty on cheese?—No.

3385. As a cheese manufacturer you would not?—No.

3386. You have pointed out certain difficulties you had in making cheese for the market?—Yes.

3387. Was that the fault of the full cream cheese?—We made the three kinds, simply to get over the difficulty. The full cream cheese was worst, and became dry and brittle and changed colour at once. No one has been able to understand why it is, but it is so. We found the less cream in the cheese the better the cheese stood ; it was tougher. Whether it is the cream or not I do not know. Our cheese is made through the summer months, of course, and something happens that we do not moke good lasting cheese.

3388. *Mr. Harlow.*] Do you depend on the local market for the sale of your stock and produce?—We have the best market in South Africa here.

3389. But do you send any away?—No ; it is practically all sold here.

3390. *Mr. Pyott.*] But is it not bought here and sent to other places?—Yes ; we supply the Transvaal tremendously. All our best stock goes away.

3391. *Mr. Harlow.*] You know the imports have decreased a good deal since the duty hase been on the meat?—Yes, but I do not think it is the duty. The farmers have been breeding up fresh stock, and all the farms are practically as well stocked as before the war.

3392. At the same time, since 1905 the imports were £123,000 less, and this year they are going down again?—Yes, but let this drought go on another six months and they will go up immediately.

3393. In reference to the butter, is there any fault in the making of that do you think?—Certainly.

3394. Could not that be got over?—Certainly ; but our dairies, as a whole, are inferior. The dairy is the meanest thing on the farm. It is put in the hands of the wife or nigger woman. The man will not touch the dairy, because it will not pay ; it is the worst paying proposition on the farm.

3395. If it is a bad paying proposition and you do not attempt to compete with the market, why do you ask for the duty?—We want to keep imported butter out as far as possible, and if we know that we shall have a fixed price of, say, 1s. 6d. a pound all the year round it will pay us to make butter.

3396. Are you aware that farm butter gets a higher price in Cape Town than the imported?—Imported butter is frozen and never will sell as well as fresh, the same as meat.

3397. Could not the farmer do something to get a better class of butter?—Take my case here. I handed my dairy to my wife and said that as long as I never heard the word " dairy " mentioned I did not want any of the proceeds. Now we are absolutely commanding the top price on the market to-day. At the present time there is a shortage of butter and we are getting 2s. 4d. to 2s. 9d. a pound. The moment there is good rain it does not matter whose butter it is ; it is down to 6d. and 9d. a pound.

3398. There are other places of supply besides Grahamstown?—Practically not. How can we send away? It is made and brought in 18 miles, and if it has to go to Port Elizabeth it is knocked about by the time it reaches there, and becomes inferior.

3399. The Railway will put a cold storage truck on?—We have tried for years and years to get one and could not get it. We tried in conjunction with the Bedford Association but could not get a cold storage truck.

3400. *Mr. Tod.*] I want to refer to the question of preferential rates on Colonial produce. There is very little doubt that at the Customs Conference there will be a strong movement on the part of the up-country people to do away with that?—Yes.

3401. Would you be satisfied to see that done away with if you got similar protection at the ports?—Yes.

3402. I was very sorry to hear you speak of the cheese in the way you did, because, if you will allow me to say so, it shows that you are not up-to-date as to what is being done in some parts of the Colony?—You refer to Kokstad?

3403. Yes. In Griqualand they are turning out something like 100 tons of cheese this last year?—I have competed against that cheese at the shows last year. I complain that your cheese, as well as mine, does not stand.

3404. That is not the report the grocers give?—I have competed with your cheese twelve years ago and this year. I have studied your cheese. I admit you have a little better climate, but the same difficulty is there ; that cheese crumbles.

3405. Why is it in such demand?—There is a craze for Colonial stuff at present.

3406. You really think the public are content with an inferior article?—They are—simply because it is Colonial. I could have sold tons of my cheese, but it was inferior for all that.

3407. May I ask what you have been getting?—10½d. up to 1s. 2d.

3408. How much milk does it take to make a pound of Cheddar cheese?—A gallon—equal to butter at 3s. a pound.

3409. But more expensive in the making?—Not very much. You save in not having to cart it away in the form of butter as soon as it is made.

3410. You say making cheese is as good as making butter at 3s. Even at 2s. 6d. per pound for butter it would be better to make cheese?—Yes, if we could meet the demand.

3411. You say there is unlimited demand for cheese and that it brings you a return equal to 2s. 6d. for butter, and yet you cannot sell the butter?—Yes, but we prefer to make the butter because there is this difficulty in the cheese. The demand for cheese may not last. The fact remains that although we could sell cheese readily we have made up our minds not to make cheese this year. We are afraid the public will say one day : " We do not want your cheese," and we shall have it on our hands, whereas when the butter is made it is sold at once.

3412. You know cheese has been made in Griqualand for years, and there has never been grumbling?—I know, but I am afraid you will wake up one day to find your cheese is no good.

3413. You object to a protective duty on cheese because you think it is not possible to make first-class cheese in the Colony?—Yes ; you may in an isolated case, but not generally.

3414. Recognising that the country is not suited for cheese-making, you say there should not be a duty?—That is my point.

3415. You think it is not a cheese-making country and we should not waste time paying attention to it?—Not yet.

3416. Are these conditions likely to be removed?—In the future they may get over certain difficulties. I am in a very hot part of the country.

3417. I suppose you had an expert cheese-maker working for you?—More or less. I have had Mr. Silva Jones there. The man I took up was not actually an expert, although he had all the experience possible. He was an Englishman, who had been trained to the business out here. We found the same thing twelve years ago.

3418. Did Silva Jones agree with you that you could not make cheese in Cape Colony?—I would not like to say anything about that.

3419. In regard to meat, you are quite decided about that?—Absolutely.

3420. That we have such an amount of stock in this country that we are justified in increasing the duty?—Yes.

3421. *Mr. Scott.*] With reference to the cold storage, are you aware that the cold storage has been used in the Western Province for storing butter?—Yes, in Cape Town itself.

3422. Could you not send your butter round from here?—It would not stand it in the hot summer months.

3423. Supposing you packed it in ice?—I do not think so. You may get cold storage on the main line but you cannot here. If you are prepared to put on a cold truck it is different.

3424. With regard to sending away your butter in small boxes or tubs, have you any method of doing that? You do not use ice?—It is all sold locally.

3425. I understood you to say you had a considerable market for cheese outside Grahamstown?—No ; in Grahamstown entirely.

3426. *Mr. Kayser.*] Your argument is that you could make use of the outside market if the railway provided cold storage accommodation on the railways?—Yes. The Koonap men have been fighting for that for years.

3427. That industry could be materially protected if the railway provided that accommodation ?—Certainly.

3428. Provided these carriages were available, you would be quite prepared, would you not, to pay a higher rate for the conveyance of the butter?—Certainly.

3429. Because you recognise that some remuneration would naturally be asked for in going to that expense?—Certainly. The farmers would be prepared to pay a reasonable rate for cold storage accommodation by rail.

3430. You said the tendency of the Colonial consumer was drifting more and more towards accepting the Colonial article?—Certainly.

3431. Is that not in particular lines?—In all lines as far as I am concerned—cheese, jams and dried fruits.

3432. Colonial manufactures, generally, are much more in request than before?—Yes.

3433. Do you think if this sentiment of patriotism could be increased the preferential duties would not be required so much?—I do not know. There is a little bit of both, I suppose—patriotism and pocket—but still the patriotism is there, and it is increasing rapidly.

3434. You have no hesitation in saying that?—None whatever.

3435. You say you can make excellent butter, but are not proud of your cheese?—Yes.

3436. Could the quantity of butter be increased in this district?—Very much so.

3437. Without artificial means—without feeding?—Yes.

3438. That is, if the farmers paid more attention to their dairies?—Yes.

3439. That is your idea in asking for a duty on butter?—Yes.

3440. *Chairman.*] Why have the railway not put on the cold storage trucks?—Because they say the quantities are too small to pay them.

3441. In reference to the suspending of duties, do you prefer the old arrangement to the present one. Under the old arrangement they could do these things, and now cannot without the consent of the Colonies?—I think we should stand on our own ; we are all keen on that.

3442. *Mr. Tod.*] What do you mean by that?—Why should we be in with the Transvaal? The Transvaal will absolutely block our produce out from going in there. I have just come from there, where I attented the Agricultural Congress. They are going to take absolutely nothing into that country that they do not want.

3443. *Mr. Kayser.*] Are you aware of the value of Colonial produce that is going into the Transvaal to-day?—How long will that last? The moment they are in a position to shut the door they will.

3444. That is your experience?—I was in Pretoria, and that was the idea of the whole of our delegates.

3445. The impression is that the Transvaal has been our best customer up to now. You think there will be this change in the sentiments?—Take our cattle. We approached them to let our cattle in, and they have tied them up with so many restrictions that we practically cannot get them in.

3446. You said the Railway Department stated these cold storage trucks would not pay?—Yes.

3447. Was a suggestion made to pay a higher charge?—No.

3448. You think if the trucks were supplied the farmers would be prepared to pay a higher rate?—Yes.

Building Trades, embracing Carpentry and Joinery, Glass Embossing and Bevelling, Leaded Lights, Lead Pipes, Shop Fitting and Stone Cutting.

James Davidson, Building Contractor, examined.

3449. *Chairman.*] You wish to give evidence regarding the building trade?—Yes. Our Association has only been formed lately, and only on Monday last had we time to get together to arrange who should meet you. We have had very little time to put our thoughts into writing. Hence I have committed myself to very little indeed—only a few matters which I think would be of most importance. Witness handed in the following written statement:

"*Subjects for Consideration.*

TIMBER & WOOD.

To increase the Custom Tariff on Dressed Timber to 4/- per 100 sup. feet.
To increase the Custom Tariff on Window Sashes and Frames to 10d. per supr. foot.
To increase the Custom Tariff on Doors and Frames to 6/- and 4/- each respectively.
To increase the Custom Tariff on Jambs for doors to 8/- per 100 supr. feet."

3450. These are the subjects which you want the Commission to consider?—Yes.

3451. *Mr. Scott.*] With regard to your first point, "To increase the Customs Tariff on Dressed Timber to 4s. per 100 sup. feet," that means all dressed timber?—Yes.

3452. There is a suggestion that this should be 15 per cent. The 4s. would be a rated tariff?—Yes. I think 3 per cent. is charged on manufactured goods, such as flooring and ceiling.

3453. This would be much more?—The reason why I put that on was that by the time it reaches Grahamstown we have to do nearly all the work over again. The way ceiling boards are chucked about by the railway employees, they scarcely have a tongue left when they reach us. We have to plane them, which reduces them to too small dimensions.

3454. Are you a builder or sawmill owner?—A builder and contractor.

3455. You think you would want 4s. a hundred feet?—Yes, to pay.

3456. Suppose the people at Port Elizabeth think they could do it for less? Would you not be satisfied with 15 per cent. *ad valorem* on planed ceiling boards and flooring? We have the general public to consider. Coming to window sashes and fraes—10d. per sup. foot—what percentage does that represent?—About 33⅓ per cent.

3457. You are asking more than the Coast towns, I think?—Take the window frame in a parcel. It is not made up. We have to make it up, and very often have to take out the soft wood sill and put in a hard wood sill.

3458. You get an extra price?—The way things are cut, we sometimes have to put up with it. Take a window 18 x 36. We get about 28 super. feet, costing in Port Elizabeth 34s. Cartage costs 3s. The fitting up of the frame, with weights, etc., costs about 5s. 6d. It would amount to 29s. duty. In nearly every case there is glass broken, and we have to replace that, because the railway is not responsible, and the senders swear they sent it away properly.

3459. Generally, I do not think they are asking for such a high tariff?—I would be satisfied with much less.

3460. How much less?—Say down to 25 per cent.

3461. Then you mention doors and frames?—Very often there are panels in the doors broken, and we have to make them good.

3462. The importer who brings in the article has the same difficulty. Are you speaking of imported joinery, or that made at the coast?—Imported stuff.

3463. Why do you suggest an increase of 4s. and 6s. on these door frames? Are you intending to make them here?—Yes. My object is to have men employed here and have the machinery running here.

3464. If you have all the breakage on the railway, you have increased protection over the man at the coast. If your goods are damaged in transit they are manufactured goods. If you bring in the raw material and manufacture here you are in a better position, and you should be able to work on the same tariff as the man at the port?—Yes.

3465. If he wants 25 per cent., it should be sufficient here?—Yes.

3466. You would not press the 4s. to 6s. rated duty?—No.

3467. The same remarks would apply to the last item, "To increase the Custom Tariff on Jambs for doors to 8s. per 100 super. feet"?—Yes. I have seen it suggested that it should be down to 6s., but the stuff we get imported is never up to the mark.

3468. You are better protected than the coast men, because if he manufactures the goods he has to pack them and go to all manner of expense covering them up, whereas if you buy the timber at Port Elizabeth and work it here you are in a better position. Why should you want more?—We run the chance of paying for stuff as waste.

3469. Your raw material is not so liable to be damaged as the manufactured article?—Quite so.

3470. *Mr. Kayser.*] What do you pay for an 18 x 36 window?—34s.

3471. Your suggestion is a duty of 10d. per super. foot on 28 feet, which would work out at 23s. 4d. extra?—I worked it out at 29s. We would require the 10d. per foot to compete against the imported.

3472. You are asking 23s. 4d. duty on an article which you now buy at the coast for 34s.?—Yes, and then there is the carriage and putting them together.

3473. That does not come into the question, because the man at the coast does not pay carriage. You ask for 23s. 4d. duty on an article costing you at the coast 34s.?—Yes.

3474. Are you in favour of the present reduced rate on Colonial manufactured doors and windows being continued? You know of course that to-day if you send a Colonial-made window from here to Cradock you will get a lower rate than the store-keeper for the imported window, and equally, say, a manufacturer at Port Elizabeth will get a lower rate to send his manufactured article to Grahamstown. I have told you exactly the position, and I think I have put it fairly. Do you wish that preference continued ?—Yes.

3475. You would like to have the reduced rate on the Colonial manufactured article ?—Yes.

3476. Of course that means the local manufacturer at Port Elizabeth would be able to compete on better terms with you here ?—I was always under the impression that from Port Elizabeth, or any other port town, manufactured goods could be carried at a rate much below that to others—that is to say, that those in the inland towns could not obtain that rate unless they sent their articles to a port and started from there.

3477. That is not so. If you manufacture your window here and forward it from here to Cradock you will get a reduced railway rate—20 per cent. off what the usual rate is. You have the same advantage as the coast man ?—Quite so.

3478. You will be satisfied that the preference shall continue ?—Yes.

3479. You do not mind the fact of the competition from your own manufacturers at the port ?—No.

3480. *Mr. Tod.*] This preferential railway rate, as you understand, is given to protect the Colonial-manufactured article ?—Yes.

3481. Would you prefer to have that continued, or would you rather have the protection afforded through the Customs ?—If it is a choice between the two I would much rather have it through the Customs.

Robert Davidson, Cabinet Maker, representing Cabinet Makers, examined.

3482. *Chairman.*] You wish to give evidence on shop fronts, fittings and fixtures ?—Yes, and household furniture. I have a short written statement here. Witness handed in the following Statement:

Shop Fronts, Fittings and Fixture, Bank, Office and Bar Fittings and Fixtures	British 25%,	Foreign 30%
Metal Shop Fronts	„ 15%,	„ 20%
Church Seatings, Pulpits and Screens	„ 25%,	„ 30%
Household and School Furniture	„ 25%,	„ 30%
Hardwood	1d. per cubic ft.	

We recommend also that the next Tariff, if framed on such suggestions as the above, be fixed for a period of not less than 10 years.

3483. *Mr. Scott.*] Why do you make a discrimination between British and Foreign of 5 per cent. ?—We want to give the Home people a preference.

3484. Will you tell us why it is necessary to have a protection of 25 per cent. on shop fronts ?—Because we may create a bigger industry here. With the protection we will be able to carry a stock and keep the men to do the work, and also afford work for our youths.

3485. You would encourage skilled labour being taught in the country ?—Quite so.

3486. Do you get fair play in tendering for these things here ?—In some cases we do. I find, however, that in a recent case there were tenders called for for some school fittings through the public press, and I think about six firms tendered, including myself. When it came before the school committee the work was given to a Kafir institution, which is subsidised by the Government. In this institution the natives pay a certain amount into the Home, where they are taught to learn the trade, and the Government pays a certain amount ; and therefore you could say that the competition was unfair to the contractors.

3487. Do you find much in the way of shop fittings and school seats and furniture coming in from Canada, for instance ?—Yes.

3488. Have the architects anything to do with that ?—Not in the particular instance which I know of.

3489. You feel quite certain you could make all these articles here if you had the protection of 25 per cent?—Yes.

3490. Do you think you could make them cheaply? Would it reduce the price of church seats and school fittings if you had more work?—Yes, and we would have a chance of putting down more machinery.

3491. Have you any machinery at present?—No.

3492. Do you think you could compete against a man in Port Elizabeth, for instance?—No, but I think here we might have a preference in getting the work by being in the town.

3493. Why do you propose 1d. a cubic foot on hard timber? You are raising the price of raw material?—It was merely a suggestion I had given me.

3494. You are making a rated duty on hard wood and soft wood would be 3 per cent. You do not press that point, I suppose?—No.

3495. Can you make any suggestion about your other raw, or semi-raw, goods, such as nails and screws?—They should come in free.

3496. *Mr. Tod.*] Have you communicated with the Port Elizabeth people at all to find what recommendations then have made to the Committee?—No.

3497. Because your figures are practically the same as theirs?—All I have seen has been in the papers.

3498. *Mr. Harlow.*] I should like you to emphasise the statement in reference to the Kafir School competing against you. I take it that is a fact?—Absolutely.

3499. And they are practically supported by the Government?—They are subsidiary.

3500. And they also pay a certain amount into the schools themselves?—Yes.

3501. And therefore cause unfair competition?—Yes.

3502. You say 25 per cent. on all household furniture?—I include household furniture as it stands under the name of that.

3503. Bedsteads?—No ; you cannot call them household furniture ; they do not come under the same heading. I am only speaking from the manufacturer's point of view.

3504. Could you make any suggestions in regard to billiard tables?—I daresay we could only make the frames of those.

3505. Have you any difficulty in getting men to do this work here?—No, but the greatest difficulty we have is providing work for the youths. I have at present about four boys, to whom I cannot guarantee work. We are so handicapped, because every storekeeper can carry furniture, and the young men in this Colony cannot compete against these people. We cannot create an industry because we have not sufficient stock. I am not in the position to compete against them.

3506. You have four apprentices?—I have three.

3507. Have you any mechanics?—Only myself ; with the competition there is at present we cannot guarantee to give sufficient labour to others.

3508. Would you make any difference between the foreign and British goods coming in?—I would say give Home goods a chance before the others.

3509. *Mr. Scott.*] Do those shop fronts and school and church benches come in "knocked down"—manufactured and packed close together?—Yes.

3510. That is why you want this duty?—Not only that, but it stands to reason we cannot compete under present circumstances.

3511. Do you draw your timber from Port Elizabeth?—Yes.

Cart, Carriage and Wagon Building.

John Macleod, Wagon Builder, examined :

3512. *Chairman.*] You wish to give evidence on wagon-building?—Yes. I wish to say that before the protection of Mr. Douglass came the trade was very bad, and when that protection commenced it became better, and instead of employing two I employed six or seven blacksmiths and could not get stuff quick enough. That went on till this protection was knocked on the head by the new one, and it has gone all worse from year to year.

3513. What tariff was Mr. Douglass's?—Twenty per cent. or 25 per cent. When this new tariff of Sir Gordon Sprigg's came into force, which is in force now—

3514. It is not. It was 12½ per cent.?—I had a lot of stuff coming in and had to pay duty and had to give a bond that if the new tariff came into force I would pay the new duty as well. The old duty was £4 or £5, and I had to pay £14 new duty. That killed it at once.

3515. £9 would ruin your trade?—No, but I could not compete.

3516. Do you mean you could not use imported stuff for wagons? Do you not use all Colonial woods for wagons?—When I can get it.

3517. Cannot you get it?—Not always.

3518. *Mr. Kayser.*] Your contention is that you want the duty on manufactured parts, such as iron parts, increased?—If it is a plank or a log, and we cannot grow it here. If you buy it in England or America and pay duty, and say, perhaps, you can buy stinkwood as cheap, but you cannot get it sometimes.

3519. *Chairman.*] What alteration in the duty do you want?—The same as Mr. Douglass's—anything manufactured or partly manufactured belonging to a wagon or cart to be 25 per cent. instead of 12 per cent., as it is now.

3520. What parts do you want protection on ? Can you name them?—Buck stays and forgings and break screws and all manufactured parts of wagons. I do not say the wood could come in exactly free, because if so they will send all their rubbish here, but if you put a fair duty on imported wood a man will send the good stuff and we will buy the good stuff. It used to be 1½d. on the deals per cubic foot, and now it is 10 per cent.

3521. *Mr. Pyott.*] You might send us in in writing a statement of what you actually mean?—Another thing in the vehicle trade is that if you import a first-class American vehicle you have to pay a good price, but a lot of vehicles here are made like shoddy clothing by the manufacturers to use up odds and ends, which we cannot use at all and have to burn. There are thousands burnt every year—spokes and one thing and another. If a spoke is not big enough it is better to burn it.

3522. *Mr. Kayser.*] Are you buying any imported wagon spokes now?—I never do.

3523. What about cart steps?—They are only made by a stamping machine.

3524. Do you want the duty on those made higher?—No, but they could be made here with a good duty on them.

3525. Wagon jacks?—I would make them and do make them.

3526. Do you want a higher duty on those?—Yes. I say anything belonging to a wagon made of iron. The axles could be made here. I have made hundreds of wagons. All the axles were made here.

3527. And the springs ?—You do not have them on wagons.

3528. It is easier to make springs than axles, is it not ?—I think so. It depends on the man making them.

3529. What did you say about wood ? You do not want it to come in free ? —No. There should be a small duty per cubic foot, and the man importing would have to pay the same duty on the good as the bad and would buy good stuff.

3530. Would you like rough wood to pay less than made-up stuff ?—Deals you can buy in Sweden at from 5d. a foot to 2d. It costs as much to bring the one as the other.

3531. Would you like the same duty on deals as on flooring ?—No.

3532. You want a lower duty on the rough timber ?—Yes.

3533. But you do not think it should come in free ?—No. If you bring in deals free you will get all the rubbish consigned to you.

3534. *Mr. Scott.*] You are a wagon maker and not a cart builder ?—I build carts, but principally make wagons.

3535. I understand you would like your rough wood as cheaply as possible ? —Yes.

3536. And your manufactured wood, such as hubs and spokes and rims, to have a duty ?—Yes.

3537. What duty would you like—25 per cent. ?—No ; do it by the cubic foot.

3538. How much a cubic foot ?—1½d.

3539. You have a duty on wagons at present ?—Yes.

3540. Are you in favour of a duty of so much a wagon or wheel ?—Yes.

3541. Do any second-hand vehicles come in here ?—Not that I know of.

William Alexander Juby, Cart, Carriage and Wagon Builder, examined :

3542. *Chairman.*] You wish to give evidence regarding carriages, carts and wagons ?—Yes. I have a written statement here. Witness handed in the following Statement :

CARRIAGES, CARTS AND WAGONS.

Springs, Axles and all Iron Fittings, Bolts, Nuts, Rivets, Axle Bushes, 7½ per cent.

Fashioned parts including Spokes, Naves, Shafts, Poles and Rims, 20 per cent.

All two-wheeled Vehicles, new or trimmed, painted or in natural wood, £10 each and 15 per cent. *ad valorem.*

All four-wheeled Vehicles, new or second-hand trimmed, painted or in natural wood, £10 each and 10 per cent. *ad valorem.*

Hand Carts, 20/- each and 10 per cent. *ad valorem.*

Wheels for Vehicles, chief construction wood, £3 per pair.

Carriage, Cart or Wagon bodies, imported separately, £5 each.

Under Gears mounted on Springs, and Axles with perches, £5 each.

Front Under Carriages for Vehicles, £5 each.

London Hoods or Tops, for Vehicles, £2 each.

Additional preference to goods of British Manufacture.

3543. These are the points you wish to bring before the Commission ?—Yes.

3544. *Mr. Scott.*] You are a cart builder ?—Yes.

3545. You want 20 per cent. on fashioned spokes and naves ?—I wanted to know from you whether we are planting more timber in the place of what we are cutting.

3546. *Dr. Viljoen.*] We are planting millions and millions of trees more every year ?—That will bring our question more to a head. It is the question of whether we can supply the Colonial article in place of the imported.

3547. *Mr. Scott.*] Where do you get your timber at present ?—Mostly from the Port Elizabeth market.

3548. In that case would you increase the duty on fashioned spokes and naves if you can get sufficient Colonial timber ? I understand there is plenty of wood for this purpose in the Knysna ?—If that is the case and there is plenty more, I do not see why we should not stop the importations to a certain extent.

3549. I understand you would raise this to 20 per cent. ?—Yes.

3550. Then on all two-wheeled vehicles, new or second-hand, you propose a duty of £10 each and 10 per cent. ?—Yes.

3551. Is your trade affected by the second-hand vehicles ?—Yes.

3552. Is there much of that ?—A great deal. A great many of them come from Port Elizabeth. They get second-hand vehicles from the auction marts at Home. Practically new vehicles, hardly ever used, are imported as second-hand vehicles.

3553. These second-hand vehicles are bought up and sent out here ?—Yes.

3554. You know the Customs people have a difficulty in arriving at the value of second-hand vehicles ?—In the majority of cases the second-hand vehicle imported into this country is practically a new thing which has been used a few times and comes through the Customs as second-hand.

3555. Then of course you propose a rated duty of £10 each ?—Yes.

3556. Rated in preference to an *ad valorem* duty. You think that would keep it out—if you proposed a fixed figure of £10 ?—Yes. That would be of great assistance to us.

3557. Do you know the present duty ?—£10 each on second-hand vehicles, and not the 10 per cent.

The Secretary.] The duty is £10 and 15 per cent. ?—*Witness.*] That meets our requirements then.

3558. *Mr. Scott.*] Wheels for vehicles chiefly constructed of wood, £3 per pair ? —Yes.

3559. Would that add any hardship to a man importing a light buggy wheel made of hickory, for instance ?—It would be a difficulty to him.

3560. You see, we have makers of light buggies, and they say they have difficulty in getting suitable timber for the wheels ?—I have built several very light buggies, and we can get the timber that is suitable for the light vehicle.

3561. You are quite sure ?—I am positive.

3562. We have evidence to the contrary in Port Elizabeth ?—I have built a few and have got the timber to suit the article.

3563. Then you mention under gear mounted on springs, axles with perches. What do you mean by that ?—There is a certain class of under gears imported into this country that can be made here.

3564. Could you enumerate them in a list ?—It comes out made up.

3565. Part of a vehicle ?—Yes.

3566. You want to stop that sort of thing ?--Yes.

3567. The same remarks would apply to under carriages for vehicles ?—Yes.

3568. Come to leather hoods or tops for vehicles, £2 each. Would that not be a hardship on the vehicle maker ? There is a difficulty in getting leather. That hood is composed of American leather, is it not ?—There is a number of trimmers in this country who have no work, and by stopping that we will give them employment.

3569. You mean you would import the leather and make it up here ?—Yes.

3570. You would import the American leather, I suppose ?—The most suitable leather.

3571. If you had this alteration in the tariff would it encourage your industry? —Most decidedly ; it would help us in every way.

3572. Would you employ more men?—Yes.

3573. Have you many apprentices?—The difficulty at the present time is that they say they cannot get a sufficient wage, because we have not the work for them. They cannot be put on new work, and therefore will not stay.

3574. That is the difficulty?—Yes. If we could give them new work we would get apprentices.

3575. You think if you had more work you could employ more young men?—Yes.

3576. Does your cart stand as well as the imported article?—Much better.

3577. Can you give a reason for that?—The article is built of sound and seasoned timber. Comparing the two articles, the Colonial one lasts much longer than the imported.

3578. You say the timber is better. You lead me to understand, also, that the workmanship is better?—Yes.

3579. *Mr. Kayser.*] What is the present duty on springs and axles?—3 per cent, I think.

3580. Why do you ask that it be 7½ per cent. to-day?—That will assist us in getting more Colonial work, assisting spring makers in the country who are not getting any work at all.

3581. Will 4½ per cent. difference in the duty help the springs to be made in this country?—I think so.

3582. Can you make axles in this country?—Parts of axles.

3583. Your idea in increasing the duty is in order to help the spring makers to make them in this country?—Yes.

3584. You are not animated by the desire to give the Government a little more revenue?—It would assist the Government as well.

3585. That is not your reason?—Partly.

3586. What is the present duty on fashioned spokes, including spokes, naves, shafts, poles and rims?—I think they come under the 3 per cent.

3587. As a matter of fact, the smaller ones come in at 3 per cent. Your object in suggesting this duty of £10 each and 10 per cent. *ad valorem* is to shut out the imported article altogether?—As much as possible.

3588. And that is directed more particularly to the cheap, small vehicles—runabout gigs used by the farmers, and so on?—Yes.

3589. Do you know what these little vehicles are sold at in this country?—From £9 upwards.

3590. And you suggest the duty alone should be £10?—Yes.

3591. What difference would that make to the person buying it?—He would have to pay double for the article.

3592. Could he buy it here for £18 or £19? Could you make a similar one for that?—Yes.

3593. Are many hand-carts used in this town?—Yes.

3594. And are none made in this country?—Yes.

3595. What is the duty to-day?—That I could not exactly say from memory.

3596. You do not know what the duty is to-day?—No.

3597. Therefore you do not know whether this is more or less than the present duty?—No.

3598. Do you know what the freight is on these articles—carts, wagons and hand-carts—from wherever they come? I suppose landaus would come from England?—I do not know ; I am not an importer.

3599. You have not gone into the question at all?—No.

3600. What is the duty at present on carriage and wagon bodies imported separately?—Twenty-five per cent.

3601. Would this £5 each be more or less?—It would increase it.

3602. *Mr. Pyott.*] With regard to this increase of the duty from 3 per cent. to 7½ per cent. on springs, axles and all iron fittings, what quantity of those can be made in this country? Can they all be made here?—Not all.

3603. Would it not be much better to classify them and put them under separate headings ?—I have not gone into the question very minutely. That has been suggested to me by the trade.

3604. Can springs be made in this country?—Some, not all.

3605. Axles, I suppose not?—No.

3606. What do iron fittings comprise?—More or less all the fittings appertaining to carriages.

3607. The other things—bolts, nuts and rivets—could not be made in this country, of course?—No.

3608. For fashioned spokes, naves and shafts you want an increase from 15 per cent. to 20 per cent.?—Yes.

3609. In some instances these come under the 3 per cent., and you also want to increase these?—Yes.

3610. You have no difficulty in getting light spokes or light vehicles?—No.

3611. What class of wood is it?—Some Colonial and some imported.

3612. You would be quite prepared to pay 20 per cent. on the imported article, as a carriage builder?—Yes.

3613. When you speak of £10 each on new or second-hand vehicles with 10 per cent., do you purpose reducing this? At present it is £10 and 15 per cent. Would you reduce the tariff to 10 per cent.?—I do not think so.

3614. That is your suggestion?—That should be £10 each and 15 per cent. on the second-hand article.

3615. You would allow the new cart to enter cheaper than the second-hand one?—Yes, £10 and 10 per cent.

3616. Do you want to correct this item?—I would like to.

3617. You say wheels constructed of wood. Do you mean mounted?—Either mounted or unmounted.

3618. Do you think £5 is sufficient for a carriage body?—It will be some assistance.

3619. How will it be some assistance? Suppose, for instance, you want to compete with a Home-made landau. Your present duty is 33 per cent. and you bring it down to £5. What assistance will this be to the trade of the Colony?—It will not be any assistance at all. I have not had much chance to get the particulars I wanted.

3620. Front under carriages for vehicles £5 each. That is simply the building up over the springs. They are part iron work and part wood?—Yes.

3621. What is the value?—Anything from £12 upwards.

3622. For the front under carriage?—Yes.

3623. Would it be so much as that?—Yes.

3624. Leather tops, £2 each. You would be able to make these in the Colony, and this is simply a protection to the workmen of this country?—Yes.

3625. An additional preference to goods of British manufacture. How much preference would you give over and above foreign?—That I could not exactly say now.

3626. Do you know what the preference to British goods is to-day?—Three per cent.

3627. How much would you be prepared to give them in this suggestion of yours?—I could not exactly say what we are prepared to give them.

3628. *Mr. Harlow.*] You say you would like the new and second-hand to come in at the same rate as regards tariff and so forth. Is that so?—With Mr. Pyott's permission, I would like to alter that to £10 each with 10 per cent. on new and 15 per cent; on second-hand vehicles.

3629. What class of workmen do you employ as a rule?—White labour.

3630. What wages to you pay?—From 10s. to 15s. and 18s. a day to good workmen.

3631. Have you any difficulty in getting workmen?—The difficulty at the present time is the work ; we have not the work.

3632. There are plenty of men to do it?—Yes, but we have not got the work.

3633. How long has that rate of wages been in existence?—It has varied according to the quantity of work we have had.

3634. You would raise the cost really to the consumer all along the line?—Yes.

3635. *Mr. Tod.*] Is there a big business done in Grahamstown with carriages, carts and wagons?—There was.

3636. To what do you attribute the falling off?—To the imported article.

3637. Do you not think the general depression has had something to do with it?—Certainly.

3638. When did the falling off begin to be felt?—Practically since the war,

3639. You know there has been a falling off in every industry and business throughout the country?—Yes. Men who used to be in employment are now walking the streets, or on relief works.

3640. Do you get the advantage of the Colonial preference in railway rates in sending vehicles over the railway?—Yes.

3641. Is that any advantage now?—It is a little, but comparing it with the imported article we have not been able to get the work to find out.

3642. I want to draw your attention to the fact that there may be some agitation in favour of doing away with that rate. Would you be satisfied if you got the protection through the Customs instead of this preferential railway rate?—That is a question which would take some consideration. We have not done much trade with up-country since the imported article came in.

3643. I suppose you do not send vehicles long distances by rail?—Yes.

3644. *Chairman.*] Have you found any benefit since the duty was put on second-hand vehicles at the last Convention?—It has assisted us to a great extent, but not altogether.

3645. *Mr. Pyott.*] Do you still wish to leave carriage, cart or wagon bodies imported separately at £5 each in yout list?—I would like to withdraw that.

Confectionery, Jam and Preserve Making.

James Hards, of J. & H. Hards, Jam and Preserve Manufacturers, examined :

3646. *Chairman.*] You wish to give evidence regarding jams and preserves?—Yes. I might say I did not know until this morning that you were sitting, and I have really made no preparation.

3647. Have you any particular points you wish to bring before the Commission? —One or two. The main point is that I consider all raw materials used in the manufacture of jams and preserves should be allowed in duty free, excepting fruit pulps. Tin plate is duty free.

3648. *Mr. Tod.*] You mean sugar should be duty free?—Yes. Sugar is the main item. Then, that necessary legislation should be effected to counteract the 1d. a pound bounty at present allowed by the Orange River Colony for jams produced in that Colony. Then, with reference to railway carriage on raw materials. At present the rail carriage on raw materials is second class rate with 33 per cent. rebate. It seems to us, as inland manufacturers, that our material should be brought at the lowest possible rate. I am not an advocate for the railway carrying goods at a great loss, like fencing wire and other things connected with farming, but that raw materials should be brought on the railways at uniform third class rates.

3649. What raw materials?—Sugar, tin plate, box wood. Box wood does come third class. Further, that inland factories should be allowed a rebate on manufactured articles sent back to the port from where the raw material has been brought. At present we pay second class rate for raw material and third class to send the same thing back in its manufactured state. Those are the only items I have.

3650. The raw material is really your tins and sugar?--The fruit we produce here in very great quantities, except certain classes.

3651. The duty does not affect that whatever?—I except fruit pulps, because I think the Colony is producing sufficient fruit now.

3652. You think it is necessary to have a duty on fruit pulp?—There is a duty at present, and I think it is very necessary there should be.

3653. You do not want it disturbed?—No. Tin plate comes in free.

3654. You propose no alteration there?—No.

3655. With regard to sugar, of course you know at the Customs Union Convention sugar was protected because it is a product of one of the parties to the Union—that is Natal?—Yes.

3656. And there would be very great difficulty in getting Natal to enter into a Customs Union with us unless we gave them consideration for their products?—Natal cannot produce one-twentieth of the sugar used in the Colony. The Natal manufacturers themselves do not use Natal sugar.

3657. The reason is, of course, the preferential tariff. I did not know it was a disparagement—twenty to one. Whatever it is, would you say that unless Natal is willing to knock off this duty on sugar we should break away from the Customs Union?—Yes.

3658. You prefer to be outside the Customs Union altogether if you are to have that duty on sugar?—As a manufacturer, because undoubtedly sugar does help the manufacturer.

3659. You must give and take in this business. Perhaps Natal people are using your jams after the sugar is put into them, and other parties to the Union are using the jam. If you want the duty off sugar they may want the duty off jam?—I do not think it affects them one sovereign per annum. I think the sugar Natal produces can be used up for home purposes without a pound going to the factory, except common brown sugar.

3660. At any rate you want sugar free?—I think that is the only successful method which can be adopted.

3661. *Chairman.*] You mean a rebate?—We used to get a rebate. A fair rebate is all right. I do not want sugar to be brought in duty free at a loss to Customs Administration.

3662. *Mr. Tod.*] In regard to jams?—I am perfectly satisfied with the duty on jams and preserves, because if we get the raw material to the lowest possible cost we can produce the jam at a lower price.

3663. You are talking of sugar?—That is the main thing, I think. We can produce the article and sell at a lower price, and the lower the price the bigger the consumption and the lower your living the bigger your population. The point is that you must reduce the cost of living in the country to increase your population.

3664. You think the way to do it is to take the duties off?—Off our materials, so as to create a population to produce the manufactured article. I am not a strong protectionist, but I say you must produce stuff to get cheap living.

3665. Do not many people contend the best way is to have no duties at all?—They are extremists.

3666. *Mr. Harlow.*] You say you would like a rebate on jams and so forth from your factory here to the ports where the sugar and so forth comes in?—The railway rate.

3667. Would you be prepared to let the manufacturers at the coast ports have a rebate the other way?—If necessary. It must be in a fair way.

3668. Therefore you would be exactly at the same standard as now?—No. There is a lot of loss with our material?.

3669. You would be working unfairly against the manufacturers down below?—In what way?

3670. If you had a rebate on the sugar you brought in?—It would be taking the manufactured article to the port where we have paid the railway carriage on the raw material, and brings us in fair competition with manufacturers at the ports. All manufacturers cannot be established at the ports.

3671. Do you find a good sale for your manufactures here?—A very fair sale.

3672. Does this question of the present preferential railway rates affect you at all?—Yes, it does.

3673. Would you like to see them retained?—No ; I think they should be more uniform.

3674. As a matter of fact, the railways from this town into the country districts are not appreciated?—That is so, because we consider we have been rather badly treated by the Railway Department. You cannot expect a man to pay 2s. 5d. for sending goods by rail when he can get them by road at from 1s. to 1s. 6d. The Chamber of Commerce, when I was chairman, some time back, approached the Government and almost arranged to give a guarantee that the merchants of Grahamstown would get all their goods by rail provided they went back to the old rate of 2s. It was 2s. for many years. There was a special rate for Port Elizabeth and Grahamstown, and Port Elizabeth and Uitenhage, because the wagon competition was keener on those roads than elsewhere in the country. We have a third class rate for jams, which is perfectly satisfactory.

3675. *Mr. Pyott.*] You are a jam and confectionery manufacturer?—Only jam and preserves—canned fruits.

3676. Have you had any communication from the manufacturers in Port Elizabeth or East London as to the evidence you should give before this Commission?—Not a word. This is entirely off my own bat.

3677. You have a complaint against the Railway, that you are paying a higher rate on your goods coming from the coast than the manufacturers at the coast are paying on the goods coming in competition with yours?—Yes. You bring your stuff at third class rate and we pay second class rate for our raw material.

3678. Sugar, box wood and tin plate?—Boxwood comes at third class rate.

3679. If we do away with the differential rate that practically covers the whole thing. Would you be in favour of doing away with that?—So far as it does not raise the rates on our raw material.

3680. You want to get down to the basis of the coast manufacturer's product? —Yes. Goods should be carried at the very lowest possible cost, though not at a loss.

3681. If you do away with differential rates you come on to this point?—Yes.

3682. You are in favour of doing away with the differential rate?—Not entirely, but to some extent.

3683. Can you tell me the rate from Grahamstown to Kimberley on imported jams and Colonial?—I could not. I think it is 4s. 2d. as against 5s. and something.

3684. The rate from Port Elizabeth is 6s. 8d. for imported and 3s. 10½d. for Colonial. Would you be in favour of doing away with that differential rate in favour of Colonial jams? Give me yes or no?—I should not.

3685. You want us to differentiate between Grahamstown and Port Elizabeth, which is practically your coast port?—You are now speaking of the raw material as against the manufactured article. You bring the Kimberley question forward as to the Colonial and the imported article.

3686. Is there not another point? Do you in the up-country places have a certain preference in the price of your fruit compared with the men at the coast?—I think it is the other way about. I think it is cheaper at the port, because the fruit grower sends to Port Elizabeth and he must sell it for what it fetches. The fruit grower here comes to Grahamstown, and if he cannot get his price he sends the fruit away to Port Elizabeth, and invariably has to take a smaller price.

3687. Does he continue to do that business?—That is my experience.

3688. You do not admit that you get the fruit cheaper than the man at the coast?—I think we pay more.

3689. You made a suggestion about a rebate on sugar?—Yes.

3690. Do you think that is absolutely necessary?—I do.

3691. In the case of your getting a rebate on sugar would you reduce the duty on imported jams?—No. The jams are all right, but the rebate on sugar will enable you to produce Colonial jams at lower prices, so that your consumption will be greater.

3692. Is there not a possibility of producing sugar in Africa?—There may be some years hence. and only from beetroot.

3693. Are you aware that to-day sugar is being produced in Africa?—No.

3694. Are you not aware it is in Natal ?—Of course.

3695. That is a State of the Union ?—Yes.

3696. Do you not think they should have some protection ? How much sugar do you use in *your* trade ?—I say Natal cannot produce anything like the quantity of sugar to be used by manufacturers in this country.

3697. Can you produce the quantity of jam required in this country ?—My experience is that we have been over-producing.

3698. You think Natal should have no protection for her production of sugar ?—Not as far as manufacturing articles are concerned.

3699. You have a complaint against the Orange River Colony giving bounties in regard to the manufacture of jams ?—I think it is an iniquitous arrangement.

3700. You think it should be done away with ?—Certainly.

3701. If it cannot be done ?—Then there should be some legislation in this country so that manunfacturers can have their jams put in at the same price.

3702. You mean our Governments to give the same compensating bounties within the Union ?—Yes. The greater part of the trade has been lost in the Transvaal and Orange River Colony.

3703. I suppose you would not press that question of getting a rebate on sugar ? —I am very emphatic.

3704. Then you bring us to the question of reducing the duty on jams ?—It seems to me it is one of the main objects in the success of this country to put into the consumer's hands at the least possible price.

3705. How is that to be done ?—You know jams have been produced and sold at less than the cost price.

3706. We are quite aware of that ; but is that not brought about by internal competition, and nothing to do with the outside at all ?—That may be, but give the manufacturers an opportunity of producing the jam and you will get a larger consumption from the poorer classes, and the poorer classes will reap the benefit.

3707. Your wholesale price is 3s. 6d. to 3s. 9d. a dozen ?—Yes.

3708. And it is sold retail at what ?—At 5d. to 6d.

3709. Do you find the bounty-fed jam is being sold in your own market ?—Not in Grahamstown. Only one storekeeper keeps it.

3710. *Mr. Kayser.*] You expressed a desire that you, as a Grahamstown manufacturer, should get a refund of the difference in rail carriage on the raw material which is paid between Port Elizabeth and Grahamstown. Would you be prepared to give the Orange River Colony the same concession ?—That is a point which passed through my mind.

3711. Could you say yes or no ?—Yes, it would only be fair.

3712. Do you know what that amounts to ?—I have not gone into it.

3713. Do you know the railway carriage to Bloemfontein ?—I suppose something like Kimberley. Is it less ?

3714. The rate is 4s. 4d. to Bloemfontein for jams. You would be prepared to give a concession of ½d. on the railway carriage by a refund, which is what it amounts to ?—We should have to be fair. It might be a mistake.

3715. You would give it ?—Yes.

3716. You recognise that before he can compete with you he must pay the carriage both ways ?—Yes, but not if he gets the 1d. a pound bounty.

3717. With regard to the duty on jams, what is the protection to-day to Grahamstown ?—In what way.?

3718. You get 2¼d. a pound ?—Yes.

3719. Which is 18s. 9d. per hundred pounds ?—Yes.

3720. And the duty you pay on sugar ?—3s. 6d.

3721. That is 15s. 3d. you get, which is very nearly 2d. a pound—1⅞d. ?—Yes.

3722. Do you still think that 3s. 6d. should be refunded you ?—Yes. Before you produce that article you must spend 50 per cent. of the value in labour alone.

3723. You told us Natal sugar could not be used for making confectionery ?—I say they are not producing the quantity to enable it to be used.

3724. Is it not being used ?—I have never used a pound of Natal sugar in my life ; I do not know whether other people do.

3725. You are not prepared to say it is not being used ?—I do not think so.

3726. If I told you it is being used very largely you would not say I am wrong ?—No.

3727. Then I might tell you that in the Orange River Colony they use it almost exclusively. You would not like to see the special rates for Colonial articles altered ; you think they should remain as they are ?—Yes.

3728. Notwithstanding the fact that it does not allow you to compete ?—I do not mind that.

3729. You are quite satisfied ?—Yes.

3730. Do you do any export of jam ?—Yes, but only Cape gooseberry.

3731. Notwithstanding the fact that you pay 3s. 6d. on your sugar you still export some jam ?—Yes.

3732. And you are not a strong protectionist ?—I am satisfied with the present duty on jams.

3733. You are not a strong protectionist ?—Certainly not.

3734. You do not consider 2¼d. duty on jams is strong protection ?—No.

3735. What is the wholesale price to-day of imported English jams ?—From 6s. 6d. to 7s. 3d.

3736. Take it at 6s. 6d. What is the wholesale price of Colonial jam ?—3s. 9d. to 4s. 1d.

3737. A difference of over 2s. a dozen ?—Yes.

3738. There is a difference even now of more than the duty ?—We have had to overcome a great deal of prejudice in this country, but the time is coming very soon when the Colonial jams will be top dog.

3739. I hope it will ; but we are here to consider whether the Colonial manufacturer has sufficient protection. You have told us in your evidence that you already are selling your jams at 2s. per dozen less than the English article ?—At less, but for different reasons. We are perfectly satisfied.

3740. The rate to Kimberley on the imported article is 6s. 8d., and for the Colonial article 3s. 10½d., leaving a difference of 2s. 9½d. in favour of the Colonial article ?—Yes.

3741. Therefore, on a case weighing 60 lb. it amounts to 1s. 8d.—three-fifths of 2s. 9½d.—which is 5d. a dozen ?—Yes.

3742. So your protection as far as Kimberley is concerned and railage is 5d. a dozen ?—Yes.

3743. *Mr. Tod.*] What sort of labour do you use in your factory ?—White and coloured.

3744. What proportion ?—A greater proportion of coloured. We have white tinsmiths and white jamboilers.

3745. Do you find the coloured labour satisfactory ?—No, but it is all we can get ; I would not have it if I could help.

3746. Do you mind stating the rate of wages you pay ?—To the coloured ?

3747. Yes ?—Our lowest coloured man gets £1 a week or 30s.

3748. Is he in any way skilled ?—No ; quite unskilled. The skilled men get £4.

3749. Really, from your experience in the past, the extension of this business in the Colony does not mean the employment of many more white men ?—Not many more.

3750. *Chairman.*] You do not know the Colonial rate from here to Kimberley?——Mr. Kayser says 3s. 10½d. from Port Elizabeth. It may be a little different, but it is about the same.

3751. *Mr. Kayser.*] That is exclusive of cartage ?—I think it is 4s. 2d.

3752. *Chairman.*] What is the difference between the two ?—36 miles. I think we have almost the same rates as Port Elizabeth.

Printing.

Thomas Henry Grocott, of T. & H. Grocott, Printers and Stationers, examined :

3753. *Chairman.*] You wish to give evidence on printing ?—Yes. I am the President of the Press Union of South Africa.

3754. What are the principal points you wish to lay before the Commission ?—The Customs charge 25 per cent. on all printed matter. With that we are very well satisfied, but, unfortunately, though they have put 25 per cent. on printed matter they have also put 25 per cent. on fancy cards for printing purposes, and they cannot possibly be produced at the price in this country. I have brought samples with me to show you. [*Producing same.*] The embossed card as imported is a class of work which cannot be done in this country ; it is imported for printing purposes.

3755. *Mr. Pyott.*] The imported material, printed, could not compete with you in this form, could it ?—Yes. We could not possibly compete with England if they had already printed that which ought to be on there, because it would come in at the same price—25 per cent.

3756. This card is a speciality ?—A wedding invitation.

3757. This business would not go over the sea in any case, whatever duty was on it ?—It would in case the individual in the country had sufficient time, which he would have, to order it from England.

3758. Do you find those are being printed across the sea ?—Yes.

3759. You have found that ?—Yes, and the same with the things I am going to show you. We want these cards to come in at 12½ per cent. in place of 25 per cent. The object of putting on the duty was to protect the manufacturer in this country. We do not protect him in this case, and he cannot possibly compete. The great trouble, of course, in this country is the matter of wages. In this town we have to pay 100 per cent. more than you have to pay in any provincial town in England. There you pay 30s. on the average, and here we have to pay 60s.

3760. *Chairman.*] Is there not a Union ?—No ; it does not apply in this town. We pay the usual wage. I have a man I pay £6 to, on the linotype, and he would get £3 in England.

3761. *Mr. Pyott.*] Is it not possible for this class of work to be done in Cape Town ?—I do not know that it is possible, on account of the great number of dies you would require.

3762. We are getting high-class lithography done in Cape Town. This card is lithographed, is it not ?—Yes.

3763. This card is practically printed, and if you let it in at 12½ per cent. the biscuit and jam manufacturers will ask for the same kind of thing ?—We say we cannot possibly compete with the things printed in the Home country. We have

Christmas private cards, on which they charge 25 per cent. Really all those can be done in England at certainly half the price they are done for in Cape Colony.

3764. The difficulty I see is in knowing where to draw the line ?—I know it is very difficult, but I think there should be some arrangement by which we could say these things are for printing purposes only.

3765. *Mr. Scott.*] I think the only thing to do is to produce a card which you could manufacture in this country? —I do not know what they can manufacture in this country, but I am quite sure no house in Cape Colony can possibly manufacture these articles at anything like the price at which you can import them ; it is not to be done. With every house which runs this trade it is a special trade pretty well, and they have dies which no Cape house could keep. A Cape house could keep several lines. For instance, in the old country in the manufacture of blankets you cannot get any blanket in any town, but have to go to certain towns for certain blankets. I might say we do a certain amount of card embossing ourselves.

3766. *Chairman.*] Is there any other point ?--I do not think so.

3767. *Mr. Tod.*] I suppose you have gone into the present tariff with regard to printing ?—Yes. I think the 25 per cent. is all right, not that it will make very much difference as regards the importation ; in fact it will not. If you pay 100 per cent. wages more in Cape Colony you cannot compete. The facilities are very great, apart from the wages. Mr. Pyott spoke about labels. Probably at the house from which he got his labels that was the sole trade, and they almost had the monopoly, with special machinery for that particular work.

3768. *Mr. Harlow.*] What proportion of your trade does this particular line take up ?—For Christmas private cards and wedding circulars, which is a very big business indeed in this country.

3769. Could you give the Commission any idea how many men you employ on this particular line ?—No, I cannot.

3770. Would your business with this particular work keep one man employed all the year round ?—No.

3771. Not taking the average all through the year ?—I do not think so, although there is a big trade done. One man will turn out a lot. He can set the type and turn out a hundred complete in an hour or an hour-and-a-half.

3772. You say you do not recognise the men's Union ?—We have no Union in Grahamstown.

3773. What class of labour do you employ in your works as a rule ?—The very best class printers we can get.

3774. White or black ?—No black or coloured men. I do not think our workmen would work with coloured men.

3775. Have you any female labour ?—Not in the printing ; only in the binding and folding.

3776. And are those white too ?—All white.

3777. I suppose you are not troubled in this locality with the half-caste ; they are either one or the other ?—Yes.

3778. *Mr. Kayser.*] Has the increased duty to 25 per cent. increased the cost to the consumer ?—No.

3779. If you received the reduction you ask for would it reduce the price of the cards ?—I do not think so, because we have not increased the price.

3780. The only man who will benefit will be the printer ?—Yes ; we suffer by it.

3781. *Mr. Scott.*] The only suggestion you have to make, I understand, is that you would like the duty on the embossed cards reduced ?—Yes.

3782. That is the only grievance you have got ?—Yes ; the cards coming out for printing purposes should come at 12½ per cent.

3783. The difficulty is that there is embossed printing on some of them ?—Yes.

3784. And you cannot tell us how to get over that ?—I do not think the 25 per cent. being put on has increased the charges for printing. I do not think any house has increased its prices. Nor do I think if there were 50 per cent. it would make any difference, only it would give employment to more workmen.

3785. Can you say how many more men you would employ ?—No ; I could not say that.

Philip Townshend, Printer, examined, said :

Witness.] I am here in two capacities—firstly, as representing the Manufacturers' Association, in which connection I hand in a written statement ; and, secondly, as a printer. I would like to give evidence on behalf of the printing trade. The witness handed in the following Statement of the Recommendations of the Grahamstown Manufacturers Association :

" The Association is of opinion that :

1. The protection at present given to Colonial industries should be maintained, and, where advisable in the interests of such industries, should be increased.
2. That *all* industries which at present have a footing in the Colony, should have protection.
3. That it is absolutely necessary that all restrictions on trade between the various South African Colonies should be removed, and that for purposes of trade the present borders between the Colonies should be regarded as non-existent.
4. That all raw material for Colonial manufacturers should be admitted duty free.
5. That the preferential railway rates on Colonial manufactures should operate from and to all stations alike.
6. That the policy of increased protection should be taken in hand by the Colonial Government at once, regardless of Federation being near or distant.
7. That the aid of the Credit Banks be extended to struggling manufacturers as well as to agriculturists."

3786. *Chairman.*] What points do you wish to bring before the Commission in regard to printing ?—I wish to advocate that the present duty should be increased from 25 per cent. to 50 per cent.

3787. You do not agree with the last witness ?—No. I think if he had consulted with the other printers in town there are several points we could have put him right on.

3788. What other points ?—That there should not be so many exceptions made. Such a great quantity of printed matter is now admitted free. The particular instance is the importation of periodicals and magazines. I believe the idea in admitting them free is to encourage reading amongst the population, but I think it is very doubtful whether the greater part of the periodicals now imported does any good at all from a literary point of view. Most of it is rubbish. All standard authors' books are now sold at 6d. each, and I think the cheaper class of periodicals and magazines could very well bear the duty.

3789. *Mr. Tod.*] In what way do you think it would improve Colonial industry ?—I think more magazines would be printed in the country.

3790. *Chairman.*] Any other point ?—I should like to put in a cutting from the " Natal Advertiser " on that particular point. It was this cutting which suggested that point to me. On the question of the duty generally I was prepared to speak, but I would like this cutting to be put in [*handing in same*].

3791. We have nothing of the kind in this country. The Natal paper wants to tax advertisements ?—I might say that since I have been in the Colony there has been at least one magazine a year started, which has gone defunct, chiefly from the competition at Home. The firm I am representing is publishing a magazine which is running at a loss. Magazines have been started at the Cape, and have died out in a few months. In connection with the wages, I do not think an increase of duty on printing would increase the cost of printing in the country very much, but it would give constant employment where now we can only give irregular employment. My firm is the biggest firm in Grahamstown. We employ thirty hands, only five of them coloured ; our average is thirty, and at present it is a little more. During the last twelve months I have had to discharge and take on men on four different occasions. We publish books, and when we have a big new book come in we are able to put on a big staff, but owing to there being so very little Colonial printing to be done we cannot give them continuous employment. Three men who were working for me a few months ago have been out of work ever since—two in Port Elizabeth and one in Middelburg. I wanted to refer to some exceptions in the Customs tariff, but I do not think it is necessary now ; I think other printers will cover that ground. I would like to point out that the duty of 25 per cent. has not been effective in putting into the Colonial printers' hands any of the principal printing done in the country—that is drapers' printing. The drapers' printing is more expensive, I think, than any other trade in the country, and that is nearly all imported—their posters and invoice books. I have quoted a very good price for invoice books, and know that firms in Cape Town have done so, but they are not able to get the work. Then these drapers' show-bills especially are nearly all printed in America or Nottingham. The duty of 25 per cent. has not been effective in putting that work into the Colonial printers' hands.

3792. *Mr. Tod.*] Has it put any work in their hands ?—Yes.

3793. *Mr. Scott.*] Do you do any printing for the Government ?—No.

3794. Do you undertake book-binding ?—Yes. I might say we do publishing for the Transvaal Government, but you refer, I suppose, to the Cape Government.

3795. We want to know what is your business generally ?—Our principal business here is the publishing of law books, which would not be affected one way or the other by duty.

3796. You could print delivery and invoice books, and so on ?—Certainly.

3797. Why is it you cannot do the drapers' bill-heads ?—Our labour and material cost a little more.

3798. Is it not the want of machinery ?—If there was a prospect of the work it would pay one to get the machinery.

3799. Can you make any suggestion about the embossed cards Mr. Grocott produced ?—No. It would make very little difference. I do not think the trade would object to seeing the duty increased on these things. Some could be done in the country and some not. They are fancy articles, and the difference to the customer of 1s. more on fifty Christmas cards is not noticed. It is a luxury in any case.

3800. Are the drapers prejudiced against your lithographing or printing ?—I think not. I think it is a question of price.

3801. How would this Credit Bank system work, applied to industries ?—On that I must speak in my other capacity here. It would not help the printing industry. I do not advocate any duty on stationery. I do not think the manufacture of stationery is a Colonial industry, nor is it likely to become one.

3802. *Mr. Kayser.*] You advocate a duty on periodicals and magazines ?—Yes.

3803. What duty do you advocate ?—Fifty per cent.

3804. Would that increase the cost to the purchaser ?—Yes.

3805. A great deal ?—Yes.

3806. Do you think it would do him good ?—The halfpenny papers which are imported by the ton would be sold at a penny.

3807. And the "Review of Reviews" ?—He would have to pay 1s. 6d. for that where he now pays 1s.

3808. You think that would be a good thing for the purchaser ?—I think so. I would not pick out the "Review of Reviews" particularly.

3809. Why do you advocate this higher duty ?—In order to support Colonial magazines.

3810. Would that mean much increase in the matter of labour ?—Yes, very much.

3811. How many men in Grahamstown, say ?—We print one magazine here. That magazine alone employs six men.

3812. Supposing every other magazine employed six men. There are 600,000 people in Cape Colony who would be expected to pay 50 per cent. extra on their reading matter ?—Not a great number of people buy magazines. They are chiefly got by the libraries. A great many people buy the cheap periodicals. It would not hurt them if they paid 1d., and probably would do them good if they did not read them at all.

3813. Why do you not get the drapers' business with the duty of 25 per cent. ?—We cannot compete.

3814. What duty do you suggest there?—Fifty per cent. instead of 25 per cent.

3815. And by how much can you not compete to-day ? How much too high is your price ?—Take drapers' invoice books. They generally have 500 at a time—an ordinary general draper. Our price is about 1d. a book too high.

3816. Cannot you tell us in a percentage ?—The value of the book is 4d. It is about 25 per cent. too high.

3817. The draper will have to pay 25 per cent. more, I take it, for his book ?—Yes.

3818. In this case the purchaser would have to pay more if the duty were raised ?—Yes.

3819. This is an exceptional case where, if the duty were raised, the purchaser would have to pay more ?—Yes.

3820. Of course my own experience is that we are able to have ordinary delivery books and so on printed. They may not be quite the class of book. They are far more expensive than 4d. each. I would like you to say what you mean by these posters ?—The bills drapers use more than any other trades—"Selling Off," and that kind of thing. Every draper uses them, and almost without exception they are imported.

3821. From oversea ?—From America and England.

3822. Is it because they will not try to get them down at the Cape, or because the price is too high ?—Largely because those things are supplied with their draperies.

3823. They probably get them free ?—Probably duty free ; they probably come in as packing.

3824. They pay 2d. a pound. The duty is 25 per cent. on the value, or, if 2d. a pound will amount to more, the Customs charge the 2d. a pound ?—2d. a pound is very little on printing of that kind. It takes a good many sheets of paper to weigh a pound.

3825. Are you sure they do not get these given them free from the other side ?—I think not.

3826. *Dr. Viljoen.*] You propose a duty of 50 per cent. on magazines ?—Yes, which at present come in duty free ; not only magazines, but newspapers and that kind of thing all come in free.

3827. How many magazines are published in Grahamstown ?—One—the " African Monthly."

3828. How many are published in the Cape Colony ?—Not more than five or six at present.

3829. Are any published in the Orange River Colony ?—I do not know of any.

3830. And in the Transvaal ?—Yes ; I should think at least five.

3831. In Natal ?—I do not know.

3832. Say three for Natal, which means you have fourteen magazines published within the Customs Union. I understand you to say you want six additional men for printing each magazine ?—Yes.

3833. So on the assumption here you will have 84 additional men employed in the printing of these magazines, and for this you want to penalise the whole of the reading public of South Africa to the extent of 50 per cent. ? Is that your contention ?—It would penalise the readers of magazines.

3834. And a shilling magazine would have to be sold for 1s. 6d.?—Yes.

3835. Do you think it is fair ?—I think so. It seems to have worked very well in Australia.

3836. Do you admit that the magazines imported are very useful and diffuse useful information ?—Some of them, but the periodicals do not.

3837. The majority of magazines are of a very high class ?—Yes, but not periodicals.

3838. There are magazines imported from America, and I suppose Dutch and German magazines also ?—A literary man would not find 5s. a year more for a magazine much of a tax.

3839. *Mr. Pyott.*] You mention you would like to see the tariff the same as Australia. Can you tell us the Australian tariff on magazines ?—No. The suggestion of taxing the advertisements in the magazines would meet the requirements of the printers in this country.

3840. You are not serious in advocating the duty on magazines ?—I am. The result in America has been to produce better magazines.

3841. Do you think there is a population in this country to take up such a magazine as would be printed here in such a number as to bring it within the reach of the poor man ?—I could not give accurate information on that point ; the News Agency in Cape Town could. Many thousands are imported.

3842. If your suggestion of 50 per cent. on periodicals had been to induce people, such as those who produce the " Wide World," to print it out here, I might understand it, but then your market is too narrow and it is not worth it. You are going to penalise the people of the country without doing good to Colonial industries ?—I would like to point out that a great many magazines have been started in Cape Colony and fallen through for want of support.

3843. *Mr. Harlow.*] I suppose you bear out the statement of the former witness in regard to wages ?—Yes, £3 a week and no Union.

3844. Are the employees organised here ?—I think not. We have never had unpleasantness with them.

3845. You think it is detrimental to the morals of the people having all this literature coming in ?—I do not think so.

3846. You do not think the work could possibly be done in the country—that is, the printing of the magazines you would put the 50 per cent. duty on ?—Yes.

3847. You think it could be ?—A proportion of it.

3848. *Mr. Kayser.*] I see this is the way it is put in the 1907 new Federal

Tariff in Australia, in regard to this duty : " ..printed matter except newspapers registered for transmission through the post being or containing advertisements, including magazines containing advertisements, being more than one-fifth of the printed matter contained within the outside covers." Only when the advertising matter is more than one-fifth of the inside do they charge ?—That would quite meet my views, because most of the magazines have more than the fifth.

3849. *Mr. Tod.*] You want the Commission to understand it is the printed matter you want taxed, and not the literature ?—I would like to speak about printed matter generally. I mentioned magazines because that is a point I am particularly interested in. I would like the duty on all printed matter increased from 25 per cent. to 50 per cent.

3850. There seems to have been a general acceptation all over the world that literature which tends to the education of the people, even in highly educated countries, is admitted free ?—We cannot send a book from here to America without a long delay at the port and a heavy duty.

3851. You say you require 50 per cent. in regard to the printing. Did you find any benefit from the last tariff of 25 per cent.?—Personally, we did not, because our business is rather peculiar, but the printing trade generally found a slight benefit.

3852. In what way is your business different from general printing ?—We do very little general printing. Ours is special work ; we are almost confined to law books. I have been a printer for many years before entering this business.

3853. At present the bulk of the work is being done on the other side ?—Yes.

3854. And you think a protective tariff of 50 per cent. would cause that work to be done here ?—Yes.

3855. *Mr. Kayser.*] Now with regard to the recommendations of the Grahamstown Manufacturers' Association, in connection with which you have put in a statement, what do you mean by Clause (4) " That all raw materials for Colonial manufacturers should be admitted duty free "?—I believe there is raw material which is admitted duty free.

3856. Cannot you tell us what ?—Unfortunately, I cannot ; I am not instructed on the point.

3857. Is it your contention that anything manufacturers import should come in duty free ?—Anything they manufacture.

3858. What do you suggest to tax to make up for the loss of revenue ?—Luxuries.

3859. Such as ?—Things which cannot or are not being made in the country.

3860. Have they made any calculation as to the tax that would mean on the luxuries ?—No.

3861. This is merely a crude suggestion as to what would be very nice for the manufacturers at the expense of the people ?—No. It is the experience that a little more help would enable the Colonial manufacturers to flourish, who are not flourishing now.

3862. And prevent imported articles coming in ?—Yes.

3863. Which would mean a loss of revenue and something else would have to be taxed, but you have no figures to give us ?—No.

3864. What about Clause(5) " That the preferential railway rates on Colonial manufactures should operate from and to all stations alike "?—It was reported to the Association by the members that there is a port rate—that a Colonial manufacture going from an inland town to Kimberley does not travel at such a cheap rate as from a port to Kimberley.

3865. I have taken out the figures for Kimberley. Take biscuits and cakes. The rate to Kimberley is 7s. 7½d. The rate for a South African manufacture, I take it—whether from Grahamstown, Bedford, Cradock or Port Elizabeth—is 20 per cent. off the rate for the imported article. Do you want the same rate from Grahamstown as from Port Elizabeth, although the mileage is less ?—No. If what you state is correct I have been misinformed.

3866. Do you want to say that the railways should be run on a mileage basis entirely ?—Yes.

3867. *Mr. Tod.*] Only in as far as the preferential rates apply, I suppose, or do you mean to apply to all railway rates ?—Unfortunately, I cannot give the figures. It was reported to our Association that at the railway station here a local manufacturer being charged a certain rate for Colonial products found, by accident, that the port rate was considerably cheaper.

3868. *Mr. Kayser.*] Although the port is further away from the destination ?—Yes.

3869. Would you be opposed to the present preferential railway rates for Colonial manufactures being abolished, so as to have one rate for everything, whether imported or Colonial ?--We would not oppose it if there was an increse in the protective duty. Our Association would rather see an increased duty at the port and a uniform rate on the railways.

3870. You prefer that the protection shall be by way of customs duty rather than by railway rates ?—Certainly, entirely.

3871. *Mr. Scott.*] Would your Association approve of that ?—Yes. I know the preferential railway rate is a temptation to fraud.

3872. *Mr. Kayser.*] With regard to Clause (7), "That the aid of Credit Banks be extended to struggling manufacturers as well as to agriculturists," would you be opposed to the aid of Credit Banks being extended to the local storekeeper who was struggling ?—I would like the aid of Credit Banks to be extended to all classes alike—not to have one class favoured above another class.

3873. *Mr. Pyott.*] In Clause (1) you say, "The protection at present given to Colonial industries should be maintained," . . . . That is the feeling of your Association ?—Yes.

3874. ". . . . and, where advisable in the interests of such industries, should be increased" ?—Yes.

3875. Only where advisable ?—Yes.

3876. You leave it to the Commission, practically, to decide whether it is advisable to have further protection ?—Just so.

3877. And then you say in clause (2), "That *all* industries which at present have a footing in the Colony, should have protection" ?—Yes.

3878. You say "advisable" in the first Clause and then "should" in the second Clause ?—That would apply to some industries in the Colony which have no protection and we think they should have.

3879. Would you just mention one ?—I am not prepared unless the members of our Association can back me up. I believe there is a Colonial stone industry.

3880. Have you some one in your Association who could give the practical points ? We know the generalities ourselves ?—We regret that we are not prepared, but we did not know the Commission was coming.

3881. You say in Clause (3), "That it is absolutely necessary that all restrictions on trade between the various South African Colonies should be removed, and that for purposes of trade the present borders between the Colonies should be regarded as non-existent." Could you explain what you mean by that ?—We mean ports of entry should be abolished, and there should be as free trade between the different Colonies as between the different districts of a Colony.

3882. Are you aware that such a thing exists to-day ?—On the particular border with which I am personally acquainted you can only carry your goods through certain ports of entry, and you often have to travel forty or fifty miles to get to such a port. The state of affairs in that respect is just as bad as before the War.

3883. Are you dealing with this matter with regard to cattle ?—Everything

3884. What do you mean exactly by this ?—The restrictions on the trade, as far as I am aware, between the Colonies are these, that on some of the borders there are ports of entry, and goods can only be conveyed through those ports of entry.

Witness.] I particularly had the Bechuanaland border in view. The restrcitions there are very strict. You can only convey your goods through certain points, which means that you often have to travel thirty, forty or more miles more than you would have to do if you could go straight.

3885. *Mr. Pyott.*] Give us the points you want to go through into Bechuanaland and are debarred from ?—I cannot give you that. The only way in which it affects Grahamstown is in regard to filling up the forms and the delays in connection therewith.

3886. You say in Clause (4), "That all raw material for Colonial manufacturers should be admitted duty free." I suppose you are aware that certain raw material is produced by one manufacturer and worked up into a further stage by another. You would not tax the raw material that is being produced in this country, would you ? Take tanning ; you would not have leather come in free for the sake of mending boots, would you ?—We are not deciding what raw material.

3887. For instance, would you admit wheat into the Colony free ?—Yes,

3888. Then what protection has your farmer got for his produce ?—He would not have any protection.

3889. I suppose the farmer is the first man we ought to protect ?—The producer ; do not call him the farmer.

3890. *Mr. Scott.*] I would suggest that you enumerate the articles you want in free in connection with the various trades in Grahamstown ?—I might mention that the particular trade leading to this resolution was the saddlery trade. They feel that buckles and things which cannot possibly be manufactured in this country but which are necessary for their trade, should be admitted duty free.

3891. *Mr. Harlow.*] You have admitted that if you get these tariffs it will raise the cost to the consumer ?—Yes.

3892. In what way would you suggest the consumer would be protected ?—The consumer would be protected in that he would have more scope for his trade.

3893. I suppose, in the event of getting the protection you are asking for, there will be no tendency to raise the wages of the working classes ?—Yes, I should think there would be ; it would be necessary in many trades.

3894. Do you think the manufacturer would be prepared to do that ?—Yes.

3895. Do you not think that would be a protection for the working classes, whereby they could have the wherewithal to buy the produce ?—Yes. I think the benefit would be that the working classes would get constant instead of intermittent employment, as they do now. A great deal of the time the working class is not in employment.

3896. Is there not a tendency when trade gets brisk to import labour and flood the market ?—Yes.

3897. And to keep the wages down ?—I have not had that experience. In the trade I am connected with the wages have been steadily rising for many years past.

3898. You are asking for protection, and are not in any way going to protect the consumer. At the same time you would import men to keep the market fully fed, so that the wages could not go up in any shape or form. You admit that ?—The demand and supply would regulate one another, I suppose. If there was more work than you could get done you would import more men, but for every man imported you would probably employ two Colonial youths. At present we feel that there is no employment for our children. Take Grahamstown, for instance Every time we have a vacancy we have at least five applicants.

3899. Will you give an estimate of how many apprentices there are in Grahamstown in the different trades ?—Roughly, I should think between 100 and 150.

3900. So as not to make any mistake, you might make inquiries and let us have that as nearly as possible ?—You include tailoring and dressmaking ?

3901. Everything ?—I am well within the limit.

3902. *Mr. Tod.*] With regard to the third Clause of your statement—" that your Association wishes the regulations existing on the borders to be done away with and the borders to be treated as non-existent "—of course you are aware that, under the Customs Union Convention, a careful account is kept of the goods going into the respective Colonies, and each Colony receives its share of the duties on that basis. Knowing that, you must therefore see that it would be impossible to do what you suggest, unless some other system of dividing the Customs revenue is adopted ?—Yes.

3903. For instance, the ports might collect the whole of the revenue, and it might be divided amongst the various Colonies on the basis of populaton ?—Yes. We think the Governments should devise a means of dividing revenue which would not hamper trade.

3904. Which would have practically the same effect as if the Colonies were federated ?—Yes.

3905. Of course you know that is one of the arguments in favour of federation ?—Yes. There is another point. I think there is quite a considerable number of clerks and police on the borders who are now occupied in the non-productive work of collecting Customs forms.

3906. Would your Association be prepared to recommend that the Government, at this next Customs Union Convention, should arrive at a different method of dividing the amounts collected through the Customs than at present is used ?—Yes.

Sheet Metal Manufactures.

John Donald Fraser (representing Messrs. Garde and Co., Manufacturers of Sheet Metal Goods), examined:

3907. *Chairman.*] You wish to give evidence on tin-ware goods?—Yes. I have a statement here, which I will put in. Statement as follows:

TINWARE, LEAD AND GALVANISED GOODS.

30 per cent. All tinware, plain, Japanned or otherwise, cuttings or stampings for putting together. All manufactures of Tinplates, N.O.S., and manufactures of galvanised and black sheet iron, or of galvanised and black sheet steel cuttings, or stampings of same for putting together, N.O.S., including Tanks used as packages.

30 per cent. All goods manufactured of Lead.

Free.

Plain Galvanised Iron.
Sheet Copper.
Pumps.
Ingot Tin.
Grain Tin.
Sheet Lead.
Sheet Zinc.
Perforated Zinc.
Perforated Tin.
Black Iron.
Brass Taps, &c.
Cocks.
Pipe Fittings.
Tinman's Wire.
Kettle Ears.
Rivets.
Handles.
Covers.
Bath Plugs.
Corrugated Iron.

Duty.

Buckets, 50 per cent.
Baths, 50 per cent.
Enamelware, &c., 25 per cent.

3908. *Mr. Pyott.*] You propose a duty of 30 per cent. on certain tin-ware goods coming out?—Yes, plain and japanned and otherwise.

3909. What is the duty to-day?—I could not say.

The Secretary.] Twelve per cent. British and 15 per cent. foreign.

3910. *Mr. Pyott.*] You also import the pieces for putting together in this country?—Yes. They import watering cans, for instance, which are rather bulky. They can import them "knocked down" and put them together here.

3911. You want them to be cut out of the sheets in this Colony, giving employment to the people here?—Yes.

3912. Do you want black sheet iron to come in at the 30 per cent.?—No. You see it appears lower down in the list.

3913. Do you mean when it is cut to form a can or bin or anything?—Yes.

3914. You want to prevent the cutting of any class of iron?—Yes.

3915. And you also ask for 30 per cent. on all classes of goods manufactured from lead?—Yes.

3916. What is the tariff to-day?—I could not say.

The Secretary: Fifteen per cent.

3917. *Mr. Pyott.*] Why do you want this heavy protection?—To give employment out here in the industry.

3918. You want plain galvanised iron, sheet copper, pumps, and ingot tin on the free list?—Yes; they are on the free list.

3919. What do you use perforated tin and zinc for?—For meat safes, strainers and milk sieves.

3920. Is it not possible to make them in this country?—Certainly.

3921. Would you not put them under the 30 per cent. also?—No; that is in the free list.

3922. Do you say you are capable of producing the perforated tin and zinc in this country?—No, because we have not the machinery. We would like it to come out free.

3923. With regard to the list marked "Duty," what duty do you want to put on those things?—With the exception of the last three lines, we want the others free.

3924. These are paying duty at present. Pipe fittings?—Yes.

3925. What do you mean by that?—Sockets, bends, plugs and those things in connection with the gas fittings. We have been paying duty on them.

3926. You want tinsman wire on the free list?—Yes.

3927. Do you use any quantity?—Yes, a large quantity in all sizes.

3927a. Do you not think something should be paid on some of the raw material towards the revenue of the country? What percentage of your manufactures would tinmans wire run into?—I could not tell you. These things in my list were prepared rather hurriedly.

3928. Cannot kettle ears be made in this country?—If the people went to the trouble to get the stamping machinery.

3929. Rivets and handles ; those things are all capable of being made here ?—I daresay so, but you have to get the machinery.

3930. Is not the market sufficiently large to enable you to import the machinery for this ?—No.

3931. You want 50 per cent. on buckets ?—Yes.

3932. Is your suggestion of 30 per cent. the least amount to enable you to compete against the imported in the tinware market here ?—I should say about the lowest to enable us to go ahead.

3933. Are you doing any of that class of business to-day ?—A certain amount, but if we get all these things free we shall do more. Instead of importing buckets and baths we would have them made out here, which is not done at present.

3934. *Mr. Harlow.*] Have you a factory ?—Yes.

3935. How many men do you employ ?—About 15.

3936. Do you employ coloured labour ?—We have an Indian.

3937. No native labour ?—A couple of boys as coloured labourers.

3938. What class of work does the Indian do ?—All sorts, such as can-making and tanks.

3939. Have you any apprentices ?—Two.

3940. That really leaves you with about eight workmen ?—Yes.

3941. Do you think you would be able to employ more provided you could get this duty ?—Yes. In good times in Grahamstown, before the depression of the last three or four years, we have employed as many as 35 hands in our factory.

3942. What about is the run of wages you pay ?—The lowest wage is 45s. per week, and the highest £3 12s. 6d.

3943. For white men ?—Yes.

3944. Would there be any tendency to raise those wages provided you got this tariff ?—I suppose so.

3945. You are not quite certain ?—No.

3946. It would naturally increase the cost to the consumer ?—Certainly.

3947. *Mr. Scott.*] I would like you to enumerate the articles in lead, and perhaps in tin, goods and hand in the list. Mention the articles you can make comfortably and those you cannot. You cannot make lead pipes, but they can be made elsewhere in the Colony ?—Lead pipes and then fittings in connection with sanitary goods.

3948. *Mr. Kayser.*] Why do you ask for the duty on enamelware to be 25 per cent.?—Supposing the duty was continued on tinmans wire and all fittings in connection with tinware, that would naturally raise the price of our tinware. If a man wanted a tin bucket he would say, " I can buy an enamel one almost as cheaply."

3949. You admit that the increase of this duty will enormously increase the price, and you therefore wish for a duty to be put on enamelware in order to force people to buy the tinware ?—Yes.

3950. Why do you want a duty of 50 per cent. on baths ? Do you manufacture baths ?—No, because there is no inducement to do so at the present time.

3951. Could you manufacture baths ?—Certainly.

3952. Cast iron ?—No ; that refers to galvanised iron and sheet metal baths.

3953. You do not put that in your list. You want to correct this to read " galvanised iron baths "?—Yes.

Tanning and Allied Trades of Boot and Shoe and Harness and Saddlery Manufacturing.

William Alexander Smith, retired Boot and Shoe Manufacturer, examined:

3954. *Chairman.*] What do you want to give evidence on ?—I used to be a boot and shoe manufacturer, by machinery. I am out of business now.

3955. Will you tell us the points you particularly wish to bring before the Commission ?—I will tell you why I gave it up, and will answer any questions. It was ten or twelve years ago. I have still got the machinery—which was made to work by steam—eating itself up by rust because we have no work for it. We were working at such a disadvantage that we found it best to close down. If I made a good class article it was immediately shipped to England, and a very similar article, of improved appearance, would come out at a lower price, which I could not compete with.

3956. A good class boot ?—The better class we could do better with than the commoner. I started a small tannery to assist me out, but I had not enough capital for the two together. I am a son of a Northampton bootmaker, and was born in the business and have been in it all my life until late years.

3957. Do you suggest that we want more protection ?—You must have it or you will never get the industry. Many industries have closed down because there is no work. The little work in the Colony has got into the hands of the coolies.

3958. What protection do you think is necessary ?—It is difficult to say. On some lines we could do with less and on others more. It should be high on the commoner articles ; it is those we could never compete with. Say, for the sake of illustration, I recommended 50 per cent. Some people would argue that it would run the price up to such an extent as to be unworkable ; but competition would bring that down.

3959. You would have plenty of manufacturers from England and other countries stepping in with machinery, and the thing would be levelled down, and as for the extra charge to the purchaser he would always have working money in the Colony instead of its being sent away to other countries.

3960. Do you know what the present protection is ?—No ; I have not been following it.

3961. Will you be surprised to hear that the evidence has been that they have ample protection in the lower class articles ?—It was not my experience, but I have been out of the trade some years. Amongst other things, we thought such articles as could not be made in the Colony might be admitted free.

3962. They are admitted free now. You can scarcely give evidence if you do not know the conditions ?—I do not know the conditions.

3963. The evidence we have had from the boot and shoemakers is that up to the cost of 7s. the present protection is ample ?—I have still my machinery, hoping to sell it if I can ; I am not going back into the trade again. There is just one thing which struck me about that. The railways of this Colony belong to the people of the Colony I suppose ? We give commercial travellers facilities for travelling at a very much reduced rate—ridiculously so—and those very men go all over the Colony and damn every Colonial industry. I would give a cheap ticket to the traveller of a Colonial manufacturer, but let those for foreign firms pay for their tickets.

3964. *Mr. Scott.*] You do not ask for greater protection than at present, do you, because you do not know the present protection ?—No ; I do not.

3965. The only suggestion you can make is that the Colonial traveller ought to have a preference over the foreigner ?—And a very decided one. I would not pay commercial travellers to go about this country saying, " Oh, Colonial biscuits are no good," " Colonial jams do not compare with the English," and so on.

3966. *Mr. Kayser.*] You do not understand the present Customs Union Tariff at all ?—No. I have not posted myself in it because I do not intend to go into the business again.

3967. You have heard that this Commission has been appointed to go into the Customs Tariff ?—I have heard so incidentally.

3968. *Mr. Pyott.*] Were you a bootmaker here ?—Yes.

3969. How long ago ?—Twelve or fourteen years ago.

3970. And were you doing a considerable trade in Colonial boots and shoes ?—A very considerable trade for that time. Twenty to thirty men were employed by me. It was all done by piece work.

3975. The amount of trade induced you to import machinery ?—Yes, and I still have it locked up in some back stores.

3972. You tried tanning ?—Yes, hoping I would be able to get a margin of the tanner's profits to help me out with the boots.

3973. What was the tariff on boots in those days ?—I cannot tell you now.

3974. The men you employed were white men ?—All white men. The men in those days were too particular and would not work with coloured labourers.

3975. Do you not think the white men are as particular to-day ?—Perhaps they are. I do not come in contact with them. All the shoemakers here now are men who worked for me—Winter and Turner and those men.

3976. What are they to-day ?—Workmen in the town, but there is very little new stuff made up.

3977. Simply repairing ?—Mostly.

3978. Would you make any suggestions as to what tariff should be put on boots and shoes ?—No ; I would not like to suggest. I would like it to be such a tariff as will enable men our to make the boots.

3979. But we must study those who have to buy them ?—All those things will right themselves.

Thomas Glanville, Boot and Shoe Manufacturer, examined :

3980. *Chairman.*] You wish to give evidence on boots and shoes ?—It is hardly necessary for me to do so. I have come to endorse what Mr. Sargent has said in Port Elizabeth. He seems to be in a better position than myself. He has a knowledge of both tanning and boot-making. In addition I have a little to say myself in this way, that I would like to see the shoddy goods in our trade positively prohibited and abolished. I refer to the cheaper lines, which are composed of brown paper and such like stuff. I would like those lines to be positively excluded. In addition to that, although I am perfectly well aware you have not the power, I would like to exclude the Asiatics, who are stealing a terrible march on us at the present time. I want to lay the foundation to enable us to build up a South African Republic—under the British flag if you like—with skilled white labour and unskilled black labour, and they are certainly most adapted to the climate, as you know. I also wanted to mention that there are two or three plants lying idle here in the boot trade for want of repair.

Arthur Henry Wilkins, of W. Cuthbert & Co., and *Daniel Knight*, of D. Knight & Co., Boot and Shoe Importers, examined :

3981. *Chairman.*] You want to give evidence on the manufacture of boots and shoes ?—*Mr. Wilkins.*] Only from the importer's point of view. We want to bring to the notice of the Commission the excessive duties charged on certain classes of boots and shoes. We are not here as protectionists exactly. I have brought samples, which I will lay before the Commission, with the Home costs of these articles and the duties paid on them to-day. The first line is the cheap class of felt slippers imported into this country, a sample of which I produce, of which there are many thousands of pairs used. It is a line we and many other retail people in South Africa import. That line costs in England from 5d. to 5½d., and we pay a duty of 6d. per pair on every pair imported into the Colony, amounting to 100 per cent. duty, and 9d. a pair on sizes 6 and upwards.

3982. *Dr. Viljoen.*] This article has not been made in the country ?—No.

3983. And has never been attempted to be made ?—No, and I do not think it is possible. The next one is the line of rope shoes, of which I produce a sample, greatly used by the farming community of South Africa. This particular line costs in England 10d., and on every pair imported into this country we pay a duty of 9d., amounting to nearly 100 per cent. The Dutch people and coloured people use them a great deal for the bush. A great number are sold, but since the duties have been put on the sales have dropped considerably. Then in regard to india-rubber shoes, of which I produce two samples, in sizes 7 and 8 imported from Home they cost us 1s. 8d. at Home, and a duty of 9d. is levied, which is practically 50 per cent. I do not think there is any chance for many years to come of those being produced in South Africa.

3984. *Dr. Viljoen.*] They are not made here ?—No. I would not like to say they never will be, but it will not be for many years. I might state that the Customs are classifying size 6, which is quite a lady's size, as gents., and we are forced to pay a duty of 9d. per pair. We sell a great many more of size 6 and size 7 to ladies than to men. Then I produce a sample of canvas shoes, of which I have sold gross upon gross. They cost 1s. 5d. in England and we pay a duty of 6d., which amounts to about 33 per cent. All this class of stuff affects the poorer class of people and the natives. The duties do not affect the person who can afford to pay a better price, because we pay practically 12½ per cent. on all good stuff. With the exception of the rubber shoes, most of the shoes produced are sold to poor white people and coloured people. I produce a baby's shoe, costing 8d. at Home, on which there is a duty of 3d. a pair. The minimum is 3d. on children's boots and shoes. We consider those duties very unfair.

Mr. Knight.] We contend that these duties are irritating in the extreme. They cannot possibly foster any industry at all, because these things cannot be made in the country ; they are made in such large quantities at Home.

Mr. Wilkins.] I have had to cable Home for quantities of these shoes, even at the present duty, because the people cannot afford to pay 3s. and 4s. a pair. They have been paying an extra 6d. ever since the last Customs Convention.

Mr. Knight.] It is more than 6d., because the importer should get his profit on the 6d. As a matter of fact we have not done that and have been selling at a loss. We have been hoping that some one would see this and remedy the grievance.

3985. *Mr. Pyott.*] What is the retail price of the felt slipper ?—*Mr. Wilkins.*] It is known all over South Africa as the 1s. slipper—or was before the Customs Convention—and since then we have been getting 1s. 6d. As you can easily see, it does not pay us to sell at 1s. 6d. as well as at 1s. under the old duties. We have less sale, and have to lay out the extra money and get even less profit. We could not possibly put 9d. a pair on the rubber-soled shoes.

3986. All importers are treated on the same basis ?—Yes, but it does not make it any fairer.

3987. You mean you do not put the 9d. on that boot ?—We cannot, because it would make the price prohibitive and we could not sell them at all.

3988. Are you aware that the boot manufacturers in Port Elizabeth have recommended that these special rates be done away with and all these things come in at the *ad valorem* rate of 35 per cent. ?—Yes.

3989. Would that satisfy you ?—No ; we consider it ridiculous.

3990. Would it suit you if you had 12 per cent. on these canvas and rubber goods which cannot be manufactured in this country, and 35 per cent. on leather goods ? A large section of the people in this country are engaged in the manufacture of leather goods, and you must meet them somehow ?—We could meet them in this way, if we could get evidence from these people as to whether they can produce these things.

3991. The Commission will try to get that evidence ?—As far as my knowledge goes—and I have been ten years in the country—I think the Colonial article is inferior both in quality and style to the imported article.

3992. It is not merely the canvas shoes ?—No. We want all boots and shoes to come in under an *ad valorem* duty of 12½ per cent. What we want done away with is the 3d. and 6d. minimum duty. I thought I would bring another matter before the Commission. We hear a great deal about protection for Colonial manufactures. I produce a tin of boot polish of Colonial manufacture made in Cape Town by a certain firm. We were very willing to give them a trial, so as to assist Colonial industry, with the result that the stuff is absolute rubbish and people will not buy it, and we have still got it in our shops, except for a little we have sold and have heard very bad reports on. Those people want protection. We can import for less than the cost of this, and it is a very superior polish. If they can manufacture a good article in this country we will support it, but they cannot ask us to support a thing we cannot sell, which is what they are doing.

3993. What is the duty on polishes ?—12½ per cent. on British-made polishes. We are not asking for a reduction of that, but just bringing to the Commission's notice that this is a Colonial article which they ask to be protected.

3994. Do you condemn all Colonial manufactures ?—No.

3995. You condemn Colonial boots and shoes ?—As far as I have seen them.

3996. Can you get better veldschoens elsewhere ?—No ; we prefer the Colonial veldschoens, and do not stock a single imported one.

3997. You would not take the duty off those ?—No. I do not think the extra duty has increased the trade much. We do not ask for that duty to be taken off, though, because we are perfectly satisfied with Colonial veldschoens. They have given us evidence that they can make an article in that line superior to what we can import.

Mr. Knight.] I have been dealing with boots and shoes for over thirty years, and have dealt in the Colonial article as well. We recognise that some duty will have to come and that we must protect Colonial industries. Our anxiety is that if some care is not taken it will mean a very much heavier taxation on the bulk of the people. We feel Colonial manufacturers can make veldschoens and bluchers and we would not mind if the duty was 50 per cent., because we do not want to go outside the country for that class of stuff, but, coming to the better class of article, we feel the population is too small, and that a manufacturer could not possibly lay down a plant and surround himself with the material for making better things. I maintain that if you put a duty of 50 per cent. on the better class stuff it would still come from Home. The people would have to pay from 2s. to 5s. more for their boots, but they would still come from Home .An English manufacturer works on a very large scale, and makes for South Africa, America and Australia ; and he gathers round his plant and material which it would be impossible to do in the case of a local manufacturer. He could manufacture in a month all that the population requires in a year. He cannot manufacture at anything like the English cost, and if a duty of 30 per cent. or 50 per cent. were put on the imported stuff would still come. I know it is hard to find the dividing line. Protect those things which can be made here well, but there are certain things they cannot make here, and in that case is it wise to put on the heavy duties, because it must make the country dearer to live in ?

3998. *Mr. Scott.*] I suppose you would have no objection to the duty remaining on the rubber-soled shoes if they could be made in the Colony ? There is a rubber factory in the West, but I do not know if they make this class of article. I was in a factory a few days ago in Port Elizabeth, and saw leather slippers being made there—not this class of goods. If these articles were not imported, would not the tendency be for more of these Cape-made slippers to be made out of soft leather, which would give employment to youths ? That is one of our difficulties as a Commission. You would distribute them. You would get the sale for these articles. I saw the slipper with the buckle and everything. I made it my business to go into the factory. I also saw a large amount of machinery, and a large proportion of the men were white skilled artisans in the boot line ?—*Mr. Knight.*] All this material would have to be brought out from Home, and it would be quite impossible to manufacture at anything like this price, or even double the price.

3999. I asked the question whether if this were not imported it would not encourage the making of a cheap slipper in the country ?—People would have to have them in a case like that.

4000. Australia and New Zealand produce all their foot-wear, I think—75 per cent. to my knowledge ?—Is not Australia very different ? Have they not much cheaper food to feed their mechanics on than here ? If we could feed ourselves and living was cheap, then it would be quite another matter, but you could not have cheap labour on account of the dear foodstuffs, and so the articles could not be manufactured at anything like as low a price as in Australia. I would like to say, in addition to what Mr. Wilkins said, that if the duties are to be levied on the same basis I protest against ladies' sixes being counted as men's. There is no sense in that, because we sell ladies' shoes up to eights.

4001. *Mr. Kayser.*] What effect will your suggestions have on the Colonial tanner ?—*Mr. Wilkins.*] I do not think any effect at all.

4002. Will you say why ?—Inasmuch as there is very little leather in those goods.

4003. You refer to all classes of goods for the *ad valorem* duty ?—If the Colonial tanner can turn out leather equal to the imported leather, I have no doubt it will be used, but my opinion is that Colonial leather is not so good as the imported leather, and until it is as good people will not use it.

4004. In your opinion the Colonial tanner will not be affected, because he cannot make the leather required for high-class boots ?—That is my opinion.

4005. *Chairman.*] I suppose you would not consider it a good thing for this country if this class of goods (the felt slippers) had to be made here ?—We do not want it for South Africa. I suppose those are made under conditions we would not like to see in South Africa. I have been Home recently, and have seen a great deal of it.

4006. From a humanitarian point of view you would not encourage these very cheap things ?—No.

Mr. Knight.] I might say we do a fairly large parcels post business and are seriously hampered by the facilities given by the Post Office for people obtaining goods from Home, and our trade is considerably lessened; it is a growing evil. I call it an evil because we are here bearing the taxation in the way of rates and so on, and people can send Home privately for goods which we ought to be selling to them, and every facility is given to them to do so. Of course you may have had sufficient protest against this already, but I would like to add my protest to it. The persons importing from Home should have to go to the same trouble as we traders do in declaring the goods at Port Elizabeth, where we have to fill up several forms, employ an agent and go to expense, whereas, if imported through the post by private individuals, they have practically nothing to do. We do not think it is fair, and think some means should be found—although we do not want to do away with the parcels post or increase the cost—to help the importer, who contributes to the revenue of the country in so many ways.

4007. *Chairman.*] I think a great many of the goods coming through the parcels come to importers ?—Only about 50 per cent. A point we think necessary is that anybody importing from Home should have to do it through an importer's licence held personally or else employ a person holding a licence to clear these goods. They should not be allowed to declare the things as they do at present. There is no trouble taken to ascertain the value of the goods. Until recently they had to produce nothing to prove the value except the statement of the receiver. Fifty per cent. of the ladies residing in the country send privately to England for their goods—dresses or boots and shoes, and other things they require. The country is flooded with circulars giving prices, and the people are tempted to send their orders Home, and it is a very great loss of ours that the Government should assist in that.

Walter Ruthven Hall (of Hamilton and Co.), representing Saddle and Harness Manufacturers, examined :

4008. *Chairman.*] You wish to give evidence regarding saddlery and harness ? —Yes.

4009. Will you tell the Commission the points on which you wish to give evidence ?—I have here a statement which is signed by Mr. R. Sutherland, Messrs. Luke Bros., and Messrs. Hamilton and Co., the three firms I am representing before the Commission. We came to a joint decision. Our request is based on the one which was forwarded to us as having been put in at Port Elizabeth and East London, but we have made certain alterations. The first point is that we want the present duty of 25 per cent. *ad valorem*, less the preferential allowance, on harness of all kinds and parts thereof : halters and headstalls, cruppers, martingales, leather girths, straps of every description, breast safes, hobbles, knee bands, neckbar straps, leather belts, bridles, purses, dog collars, dog leads, rug straps, wallets, valises, reins. The present duty is 25 per cent. Witness handed in the following Statement :

SADDLERY, &c.

25 per cent. ad valorem : (less Preferential Allowance.)

Harness of all kinds and parts thereof. Halters and Headstalls. Cruppers. Martingales, Leather Girths, Straps of every description. Breast Safes. Hobbles, Knee Bands. Neck-bar Straps. Leather Belts. Bridles. Purses. Dog Collars. Dog Leads. Rug Straps. Wallets. Valises. Reins.

15 per cent. ad valorem : (less Preferential Allowance.)

Harness Leather. Riding and Gig Saddles. Stage or Neck Collars. Horse Brushes. Curry Combs. Mane Combs. Stirrup Irons. Bits. Cord and Fabric Girths. Saddle Cloths. Horse Clothing. General Bagware. Whips. Thongs and Lashes. Horse Boots. Fetlock Rings. India Rubber Horse Goods. Coupling Bars. Neck Bars. Bradoon and Lip Chains. Leggings. Letter Bags. Portfolios. School Satchels. Leather Sporting Goods. Pastes. Polishes and Dressings.

Free Rate for Goods of Preference Countries.

Harness Furniture and Mountings. Grindery of every description, including Hames. Thread. Wax. Hemp. Pitch. Tools. Machinery and parts thereof. Metal Winker and Saddle Plates. Trees. Patent or Japanned Leather. Pigskins, Goatskins dressed as Morocco. Rough Tanned Leather imported for further dressing. Collar Check. Saddle Serge. Felt and all Fabrics in the piece to be used in making Harness and Saddlery in South Africa.

4010. *Mr. Tod.*] You recommend a difference between the duty on the worked-up article and raw leather of 10 per cent. really ?—Yes.

4011. I suppose you would be satisfied as long as that duty was maintained? For instance, supposing the duty on leather were increased, you would be contented if there was a corresponding increase on the made-up harness ?—No, because we could never use Cape leather. The harness trade is peculiar. If we send our harness and it breaks, and there is a serious accident as the result, we are liable. That has been proved in the English Law Courts recently in three cases. You cannot send out harness made of Cape leather and guarantee it ; it is absolutely impossible.

4012. Do you not manufacture harness from Cape leather ?—We cannot because everything sent out with our name on is absolutely guaranteed, and we cannot guarantee harness made of Cape leather.

4013. You must be aware that a vast amount of Cape leather is made into harness in the Colony ?—Yes, but they cannot guarantee it ; it is rubbish.

4014. The people are the best judges of that ?—They are, and they refuse to have harness made of Cape leather. The Boers of the Orange River Colony, for instance, will not touch the Cape leather.

4015. That does not hold good in regard to the manufacture. They evidently cannot make the leather in this country, but you can do the work better ?—Better than in England, for the Colony.

4016. Is your working superior ?—I am open to prove that a set of harness made in Cape Colony in a good shop is better for Cape Colonial wear than a set made in England for Cape Colony. I do not say that harness made in Cape Colony would be better for England than that made in England, but for the Colony it is better. We understand the local conditions better, and we are more honest in our make-up ; we do not shove in rotten bits where they cannot be seen.

4017. Do you use any American or Australian leather ?—Not American, but we use Autralian leather for our cheapest grade. The greatest demand is for English leather. The Boers, especially in the Orange River Colony, will have nothing but English leather.

4018. You think it is hopeless manufacturing this leather in Cape Colony ?—Not for boots and shoes, but for harness leather it is not the thing. There are definite reasons why you cannot make harness leather of Colonial hides.

4019. Does it not strike you that it is perhaps asking too much for the Colony to embark on a high protective policy if we are unable to manufacture the article in the Colony, and are simply going to get the work done here ? I suppose it will mean an increased price will have to be paid ?—The tanners have met that by asking that rough tanned leather should be imported for further treatment. If it was imported it could be curried here, but they cannot tan here.

4020. The tanners' evidence was against that ; they did not reckon that rough leather should be imported. This is going to mean an increased cost to the people in this country ?—Not the 25 per cent., because that is what they are paying now. We are quite satisfied.

4021. You ask for no alteration ?—No. This tariff of 25 per cent. was on at the last Customs Conference. Notwithstanding the stocks of imported stuff in the country the imports of English harness dropped 50 per cent.

4022. You found an immediate benefit through the tariff ?—Not an immediate benefit, but it has been increasing ; the stocks in the country had first to be sold off. Little saddlers up-counury who used to import the harness from England now come to us for it.

4023. Do you manufacture saddles ?—We do, but one selling for £9 would cost £18 to make.

4024. How do you explain that ?—We have one man, who would have to make every kind of saddle under the sun, whereas in England in large factories they have experienced cutters and seamers who each do a little portion of the work. It was proved quite clearly the last time they went into the Customs Tariff that less than 250 saddles were made in a year in South Africa.

4025. From your point of view are you prepared to recommend that this 15 per cent. be taken off as regards harness leather ?—We are quite satisfied with 15 per cent.

4026. I mean to have the 15 per cent. on the manufactured article ?—And let the harness leather come in free ?

4026a. Yes ?—I would be quite satisfied.

4027. That would give a differentiation of 15 per cent., which is 5 per cent. more than you are getting now ?—If you took 15 per cent. off and let all harness and parts come in at 10 per cent. less, the preferential allowance, we would be quite willing to accept the harness leather free. The only point is that the tanner is trying to force Colonial leather on to the harness maker, but it is not the kind—not owing to his fault—which is fit for harness making. It is fit for veldschoens and rough boots.

4028. In what way is he trying to force the leather ?—Trying to get a prohibitive tariff against imported leather, and has been all along. We are not in favour of that, because we cannot guarantee harness made of Cape leather, and are open to an action at law if there is a severe accident through the harness breaking.

4029. Do you make any cheap harness ?—None of us in this town do ; practically we do not make anything that is not thoroughly good.

4030. Do you mind telling the Commission the value of an average set of double harness ?—Wholesale ?

4030a. Yes, if you like ?—Thirteen guineas.

4031. How much of that would be represented by material and how much by labour ?—There would be 45 lb. of leather at 3s. per lb., £2 5s. worth of mounts, and you might say 1s. 6d. or 2s. for thread and so on, and the rest is labour.

4032. About £8 10s. worth of material and £5 worth of labour ?—Yes ; but of course that is an average set, and not the best.

4033. What class of labour do you employ ?—White.

4034. You have no coloured men ?—No. We have a man whom they call black, but to all intents and purposes he is white.

4035. And he gets a white man's wages ?—Yes ; there is no distinction. The only black man we have is a packer—a store boy—who has been there for twenty years.

4036. You would call them highly skilled men ?—Yes. It is all piece work and is sent back if it is not done properly, so that we would not have them in the place if they were not skilled.

4037. *Mr. Harlow.*] You suggest that harness furniture and mountings should come in free. Why do you make that suggestion ?—If they put a protective tariff on to protect things that can be made in the country, then to keep the price moderate I think they should let things which cannot be made in the country—and which there is not the slightest chance of making in the country—come in at a low rate. Harness mountings cannot, and probably will never, be made in the country for the next fifty years ; it is too complicated a business. If we want a little buckle made in Grahamstown it costs 4s. 6d. at the jewellers, and he does not want us to come to him, and we can get the same thing for 3s. 6d. a gross in England.

4038. Would you object to a small tariff on that for the purpose of revenue ?—Not for the purpose of revenue, but we would like it as low as possible, because the higher the price of the harness the less we sell.

4039. You do not cater for the general farmer, I presume?—We cater for the Boer farmer ; he is the man who buys the best harness.

4040. You say he will not use the Colonial leather ?—The Boer farmer has a well-grounded prejudice against it ; he finds it breaks. He will not have it if he can help it. During and after the war, when everybody was hard up, they had a little, but afterwards came back and asked for the English leather. Even the out-and-out Bondsman will ask for English leather.

4041. There is a prejudice against Colonial leather ?—It is hardly prejudice, but experience. The Bond is prejudiced against an imported thing.

4042. *Chairman.*] You mean a Dutchman ?—I only mean a man who believes in Africa for the South Africans—in that sense. I do not mean in a political sense. I mean the men who will, if possible, give a great preference to Colonial things, but who will not have Colonial leather.

4043. *Mr. Harlow.*] You wish tools to come in free. Do they now ?—That is a peculiar thing. The machinery for the master comes in free, but the tools of the working man come in at 15 per cent. less 3 per cent.

4044. Those are English tools ?—Reciprocal countries tools.

4045. You want machinery and parts thereof to come in free ?—It does at present.

4046. And you want it to remain so ?—Yes, because we take it this tariff is to help the trade. I take it these 25 per cents. are to foster industries.

4047. It is also to increase the revenue ?—That would be the *ad valorem.*

4048. Not necessarily ?—So I have found in the past.

4049. You say patent or japanned leather should come in free. Do you use much ?—No ; very little. We use it for winkers and pads. There is a very small demand, and in England only a few firms can make it ; an ordinary tanner and currier will not touch it.

4050. You would have no objection to that being placed under the 25 per cent. heading ?—No. At present it is 15 per cent., but it would make very little difference. I suppose we use about £10 worth per year.

4051. I suppose you know pig-skins and goat-skins are being dressed in this country ?—I did not know they ever had a pig-skin in this country ; I always thought they sold it on the bacon here. I have tried to get hold of a pig-skin.

4052. What rate of wages do you pay ? You say your men work on piece-work ?—A great deal depends on the rate at which they work.

4053. I want an average ?—I do not think I could give an average, but a decent man working decently can earn £3 5s., and does do so. Of course we have men who so long as they make 25s. or 30s. slacken off. They ask the foreman if they have earned £1, and if so do not do any more till Saturday morning.

4054. Do you train up many apprentices ?—As many as we can get hold of.

4055. Do you have any difficulty ?—Yes. They do not care to sit down to a trade ; they like to be on their feet. They say they cannot bear sitting on a stool.

4056. You have a certain amount of difficulty in getting apprentices for the trade ?—Yes ; it is simply because of the confinement.

4057. You ask for the rough tanned leather to come in duty free. What is the reason for that ?—I have no reason ; we tried to keep as nearly as possible to the Bay proposals ; but of course rough tanning is a separate business to currying in an advanced country. This is not England. A few tanners do rough tanning, and their product is sold to the currier, who finishes it.

4058. You say some men are content with earning 25s. or even £1 ?—Some of them, but there are exceptions. If a man likes to work he can get £3s. 5s., but we cannot force him to if he does not want.

4059. How many men do you employ in your factory ?—At the present time 15. Before and just after the war we had 37. At the rate we are going ahead now we shall have 30 in eighteen months time. Things have been slumped since the war because the place has been congested with Army stuff.

4060. Have you any difficulty in getting workmen ?—Not in getting workmen of a sort, but in getting workmen who will suit our class of manufactures.

4061. Yet you are not trying to train up workmen ?—We do as many as we can, but we cannot get them. I would take three apprentices to-day if I could get them.

4062. Have you any objection to the Commission going through your factory ? —Not the least ; we should be pleased to see you.

4063. *Mr. Pyott.*] You say you cannot use the present Colonial leather for harness ?—Not to make satisfactory harness.

4064. Will you tell us where the fault is ?—You cannot get Colonial leather to bend round the ring without cracking, and unless we can hammer it round the ring we have no use for it. We made a set of harness from Colonial leather for exhibition purposes, and as that went in to get a prize you can understand that the price of the leather was of no importance ; if it had been a guinea a pound it would not have mattered. I sent to a firm in the Bay and told them I wanted leather for prize harness. It was not to compete with English leather as regards price, but was to be the very best they could give, and I said I would put their name on as the tanners if they sent a good thing. We have that set of harness in the store to-day and I cannot sell it, because I know I cannot guarantee it. It is in a box at the store. It took a prize, but it is no good.

4065. Is the fault in the growing of the Colonial hide or the tanning ?—I do not know. Of course I think it is a great deal in the tanning, and that is why I believe rough-tanned leather brought into this country from the big tanners at Home could be curried. The great fault of Colonial tanners is that they want to do it in three weeks instead of seven months.

4066. It is hurried on too much ?—Yes.

4067. It is the fault of the tanning in this country, and not the hide ?—I will explain the hide. There is a great fault with South African hides for harness purposes. South Africa is a land of drought and plenty. The result of this on the hide is certain parts—over the tail for instance—are thick and the belly and neck parts are thin. In America and the Argentine their seasons are fairly regular, and the thick and thin parts of the hides are not so accentuated, but in a country like this the thick parts are exceedingly thick and the thin parts exceedingly thin. When that leather is put into the tanning pits the thick parts are not tanned sufficiently and the thin parts are over-tanned. Another thing is that when they come to use the leather it is really the grain parts which give the strength. You have to shave off a tremendous amount of the thick stuff, and the part then left is not so strong as the naturally thin part. In our trade one should be able to get long strips of fairly even strength and thickness—for reins for instance. If that leather had been tanned for the boot trade it would not matter, because they could take the parts they wanted, but we must have a strip running from the neck to the tail of the hide.

4068. That is really the reason ?—Yes. Another reason is the horrible Branding Act in this country, which insists that not only shall there be the brand of the original owner and the brand of the district, but if it is sold into another district another brand must be put on, and thus you get a lot of brands on the hide, just on the hip, which makes that part of the hide useless ; that is the best portion of the hide. That is an Act which should be done away with at once. Another thing is that the flaying is not done by the thouands as it is in Armours' factory in Chicago. It is done unskilfully by a man, and lumps of fat are left on to putrify; and the thing is spoilt because it is not worth the farmer's while to look after a few hides, whereas big canning factories can afford to have professional flayers.

4069. From your point of view, we shall never be in a position to use our hides grown in this country for making harness?—I very much doubt it, unless we can so arrange irrigation as to feed the animals regularly.

4070. You think it is in the feeding of the animals?—I am certain that is the reason of the thick and thin parts in the hides.

4071. Not so much the hot and cold weather?—No; the irregular feeding of the animals. That is not only my knowledge, but that of experts; that is the explanation which is given. The hides imported from South Africa into England—and I was at Home in the autumn inquiring into it—are never put into tannage for harness, but for boots only, whilst the American hides, which are more regular, are put in for harness and not boots.

4072. You have 25 per cent. duty at present, less 3 per cent.?—Yes.

4073. You are quite satisfied with that?—If that is left alone, and the leather is left alone, we can do everything we desire.

4074. Your industry will go on improving?—It will flourish. I am satisfied of that by the returns of the imports and by our own trade. Men who used to scoff at me when I travelled now send to me for it.

4075. Supposing we increase the duty on leather goods coming in, will you require the same difference in the duty on saddlery coming in?—It would be an advantage.

4076. If the 15 per cent. had been made 20 per cent. to-day, would we require to advance the tariff on the manufactured article coming in in competition with you from abroad?—I do not exactly see the point. If you asked me whether, by your putting 20 per cent. on English leather, I should use Colonial leather, I would not; I would not use Colonial leather for my class of work if 50 per cent. were put on imported leather. Hamiltons, Luke and Sutherland are noted throughout South Africa for high-class goods, which could not be done with Colonial leather.

4077. The price of your leather is 3s. a pound?—Landed here; that is the very best English.

4078. What would you pay for an equal quality of Colonial leather?—If I offered fifty sovereigns a pound I could not get it.

4079. With regard to this suggestion of yours as to the 15 per cent., all those goods are at present coming in under that tariff?—Gig saddles and neck collars are coming in at present as harness. At present, notwithstanding the 25 per cent., harness has been imported into the country largely because gig saddle and especially neck collar manufacture is a trade by itself. If you import the gig saddle and the neck collar at the 25 per cent. you may as well import the whole set complete.

4080. Do you not want to make these in this country?—If these little men can import the gig saddle and neck collar, we can make the rest of the harness. If we get it in at 15 per cent., a little man working with his two sons, for instance, can compete.

4081. Cannot you, under the present protection, manufacture these things to-day in the Cape Colony?—I do not know. There are a few makers of neck collars in the Colony, but not many. They are mostly Hindus. In every case we import the collar and do not make it, because there are so many shapes which are so difficult to make that it would be cheaper, even with the 25 per cent., to get it in England. A great deal of the harness made in this Colony is made with breast plates. That we make.

4082. You never make the collar?—No; we import it.

4083. Are you particularly strong on having this under the 15 per cent.?—The neck collar and gig saddle.?

4083a. Yes?—Personally I am not, because I am in a big way, and could import a man from Walsall to come and make them, but it would help the little men tremendously.

4084. This man you speak of bringing from Walsall would have apprentices to learn the trade from him?—As far as I am concerned I do not care because we can afford to import a man to do it, but with the little man people go on importing the whole thing. If you let in the gig saddle and neck collar he will make the rest—about three-fifths of the harness—whereas if you do not he will have to import the lot. Of course, I am not speaking for myself on that point. Personally I do not care, because I could get an Indian from Durban to make the collars as well as in England, because these Indians are excellent collar makers. Most of these little shoemakers can make a horse collar beautifully. On a nickel or brass set of harness furniture they run from £2 10s. to £3 10s., and if we have to pay a fifth of that——

4085. I suppose you are bearing in mind that we have to get some revenue to carry on the country ?—You get 25 per cent.

4086. That was so that the harness should be made in this country ?—That was the preferential tariff. The tariff for raising the revenue was the 15 per cent. *ad valorem* according to what they told us at the political meetings.

4087. You come to such things as thread, wax, hemp and pitch ?—Those come in free now.

4088. *Dr. Viljoen.*] Are there any tanners here ?—No.

4089. Your experience, I suppose, is mainly confined to the Eastern Province and Free State ?—The Eastern Province, Transkei, Orange River Colony. We trade mostly in the Orange River Colony and Basutoland, and also in the Transvaal, the North of Natal and Swazieland.

4090. The farmers prefer the harness made from English leather ?—They prefer Colonial-made harness made from the very best English leather ; price is no object.

4091. Was that always so ?—From the very beginning. We have been trading up there since 1852. Our largest sale of harness is in Bloemfontein. I suppose in Bloemfontein itself we sell six times as much as in Grahamstown and district.

4092. Did you consult the saddlers at Port Elizabeth before giving evidence ? —I had seen their recommendations.

4093. Are your recommendations based on theirs ?—With alterations, yes.

4094. You spoke of the guaranteeing of your harness. Is there a law to compel you to guarantee it ?—There is no law, but if we put our name on we do guarantee. Anything with " Hamilton and Co." on is guaranteed. That is the condition under which we trade. But supposing a man sent out a set of harness and somebody had a smash up with it within three months afterwards and brought the case into Court and claimed damages for personal injuries, or injuries to the trap or horse and for loss of time, and proved that the harness was defective, he could get substantial damages.

4095. Without a guarantee ?—Yes ; the fact that you have sold the harness is taken as an absolute guarantee that the article can do the work. There was a case at Home last month.

4096. If an accident happens through a fault in the harness, the makers will be held liable whether there is a guarantee or not ?—Yes.

4097. So there is no necessity to give a guarantee ?—No, but there is a great necessity to send out good stuff.

4098. There is no necessity to give a guarantee, because the maker is liable, according to you ?—With a smash up, but you do not always get that far. Supposing the stitches give way we guarantee to remedy that if the harness is returned to us.

4099. Do you know anything of the sale of harness in the Western Province or other parts of South Africa ?—I know of the sale of harness in every part but the Western Province. We trade as far as Oudtshoorn and Victoria West and never attempt to get beyond that, because of the railway freights.

4100. It would not surprise you to hear that there is a great deal of harness made from Colonial leather sold in the West ?—I know there is a lot of harness sold. They call it harness.

4101. It serves all the purposes ?—It does not, it breaks.

4102. How do you know?—I was in Graaff-Reinet a little while ago, and was call out by a storekeeper to whom I was trying to sell harness, and he showed me some made from Colonial leather and sold three weeks before by a well-known saddler. The rounder reins had snapped.

4103. I mean generally it would not surprise you to hear that a large percentage of the harness made in the Western Province is made from Colonial leather ?—A large percentage, too, is made from English leather.

4104. Does the ordinary farmer in the Western Province use harness made of Colonial or English leather ?—I do not know.

4105. It would not surprise you to hear that the harness used on the Western Province farms is generally made from Colonial leather ?—It would not surprise me if I were told that in certain parts where prejudice runs strong, harness is sold as made from Colonial leather which is really made from cheap English leather; I know it is done as a fact.

4106. You think the people are imposed on?—I am certain of it. A great deal of Colonial leather is also sold as English. Of course we make the gebruide (white) harness, which is a good thing, but the farmer will not have it. That is Colonial leather. No one would think of going elsewhere for that than in the Colony.

4107. How does that wear?—It wears for ever.

4108. Putting appearances on one side, is it as good as English leather?—It is as good as the very best English as long as they keep to the gebruide and white alum harness.

4109. What would be the price of a set of harness like that?—Made with best tin mountings for the ordinary farmer I should say a thoroughly guaranteeable set for £8 10s. and a very swagger set for 13 guineas. The £8 10s. set I could guarantee to stake my reputation on every bit of it.

4110. The difference between that article made of gebruide leather as compared with English leather would be about £5?—No.

4111. You sell harness made from English leather for about £13 10s.?—The average.

4112. And the Colonial gebruide leather set at £8 10s.?—You are asking me the lowest.

4113. Do you say the average price of fair harness made from English leather is about £13 10s.?—The average.

4114. And the average price of that made from gebruide Colonial leather is £8 10s.?—No; the average is about £10.

4115. Good £8 10s. and average £10; that seems a little inconsistent?—The £8 10s. is good and the average is better than that, and there is better still.

4116. Take £10; you say harness made like that for ordinary farm purposes is as good as English leather?—For the man who wants it, but you will excuse my pointing out one peculiarity of South Africa; a man may have a poor house and his wife may not be dressed well, but he will have a swagger cart and horse and a swagger set of harness. Harness is a show thing to a large extent.

4117. I was referring more to the utility of the thing for farm purposes?—You can put 100 per cent. on gebruide and alum leather; no one would go out of the country for it, because there you get a really good article which can be made in the country.

4118. *Mr. Tod.*] You say the periods of drought and plenty produce bad hides, but they seem all right when made into alum leather?—It is very easy because gebruide is not leather; it is really only skin that has been preserved. Tanning does not leave the skin; it is chemically changed right through. Gebruide does not alter the quality of thick and thin; it does not make one part spongy and another not, but tanning does make the thick part spongy.

4119. Harness could not really be consistently of uniform quality right through with one part thinner and another thicker?—We have to made that up by putting in extra pieces.

4120. Extra pieces in the gebruide leather?—We have to. If you get two strips in a trade with one end thick and another thin, you put the thick end to the thin end.

4121. You do not do that with your tanned leather?—We have to have the same strength all through, or away it goes.

4122. *Mr. Kayser.*] I would like to make it quite clear with regard to the £8 10s. harness. You told us you could made a gebruide leather set of harness which would be admirably suited to an ordinary farmer's use and with cheap fittings for £8 10s?—Yes.

4123. Will you tell us just exactly what the difference would be if you made that harness with exactly the same fittings but of English leather?—Eleven guineas.

4124. What would the difference in the price of the leather be?—You must remember the difference in the price of the leather is not everything. You could use a smaller weight of gebruide leather. It would be 38 lb. of gebruide leather landed here from Cape Town—where we get it—at about 1s. 7½d. as against 45 lb. at 3s. a pound under the tariff.

4125. The difference in the actual cost of the leather would be £3?—Then you must remember the difference in the making up. A man using English leather and then using this soft leather like a glove can get along much quicker; it is easier to work.

4126. There would be a saving in the work ?—They get the same price.

4127. Really the difference in the cost is the difference in the price of the leather ?—Yes, and the difference in the quantity used.

4128. At all events, you would not think of using English leather for gebruide leather purposes ?—No.

4129. Really the comparison is not a fair one to make ?—No. No one would import it. Another thing is that the people in East London and Port Elizabeth want to protect wooden neck bars. No one in his right senses would use anything but a Colonial neck bar ; a Colonial neck bar is worth three imported ones.

4130. How do you know they want to protect them ?—Because they sent their recommendations so that I should agree to them.

4131. The Colonial manufacturers have circularised one another ?—We know exactly what they have asked for in East London and Port Elizabeth, with a view to our agreeing with them.

4132. And to make one demand to this Commission ?—That is what we do not agree to.

4133. The manufacturers are generally making recommendations—that is, all through the country ?—We in Grahamstown have made a different recommendation and what we believe to be the right thing; and we stand on ours.

4134. You made a statement that, in your opinion, the Colonial tanned leather was only suitable for veldschoen and common boots ?—Yes.

4135. What do you mean by common boots ?—I do not call ladies' suede and glacé and all those boots common ; they cannot make Colonial leather into that.

4136. Would you give it in the shape of a price, as we are not skilled in the nomenclature of boots ?—You cannot, because you can make a good boot out of the rough leather ; a great deal may go in the workmanship. On the other hand, you may make a cheap boot from fancy stuff.

4137. You used the words " common boots ?"—I meant the ordinary run of boots.

4138. Which would be sold at about what ?—15s. in this country. I do not think you could use much for guinea or 25s. boots.

4139. Do you not think it is possible for a Colonial leather tanner to supply harness leather ? Suppose he took seven months to do it ? You thought they wanted to do it too quickly ?—If you have seven months to tan it you generally find it comes from England in the seven months ; we have had experience of that. I wrote to a firm in King William's Town—now defunct—about leather, and they were quite willing to supply me with leather which was tanned on their premises, but, unfortunately, the sample they showed me had a foriegn brand on it.

4140. It had been imported from some other country ?—It was German. I could swear to that.

4141. And it paid a duty ?—It did. But I honestly believe that it would be worth the while of these people to deal with the rough tanned leather. I think that could be done, just as the big curriers at Home buy rough tanned leather from the big tanners and curry it themselves, and it would give a lot of labour to white men. Rough tanned leather might be brought in in that way and the currier helped and employment given to white men.

4142. Just finishing it here ?—Yes.

4143. Is that particularly for harness making ?—They could import any kind of hide then.

4144. You suggest that harness leather should be admitted at 15 per cent. ?—As at present.

4145. By which I assume you would have a higher rate for sole leather ?—That is nothing to do with me. They can make sole leather in this country.

4146. Under what tariff would sole leather come ?—The 25 per cent.

4147. Under this tariff your opinion would be sole leather would come in at 25 per cent. and harness leather at 15 per cent. ?—I have no information about sole leather.

4148. What would it come under in this tariff ?—I do not know ; I am not a boot-maker.

4149. You are suggesting a tariff ?—On harness leather.

4150. But what duty would sole leather pay ?—I do not know.

4151. You must distinguish the difference between harness and sole leather ? —How do they distinguish at present between harness leather and winker middlings —which are tanned japanned leather.

4152. We have it in evidence that light hides are used for harness and a man might say, "That is my sole leather." Does it not require an expert to know the difference ?—No. Harness leather is thin and sole leather thick. Besides, it is curried in a different way.

4153. The Customs people would be able to distinguish it in a moment ?—Yes. Our leather has to be curried to stand our climatic conditions, which are different to England. A man who had seen it half-a-dozen times would know it in a minute.

4154. Supposing the duty on harness leather were increased in place of remaining as at present, would that have any effect on your trade ? Would you use Colonial leather ?—No.

4155. Supposing it was increased to 40 per cent. ?—It is not only the Customs duty, but the quality. I could not use it for a guaranteed article ; I should still have to import it.

4156. If it were increased to 40 per cent., would you have to increase the price of the harness ?—Yes, and I should have no difficulty in getting it from a certain class of people, but of course a certain class would then use an inferior harness.

4157. Would not the fact of your having more harness to make, because of forcing the manufacture here, help you to reduce your prices ?—At present harness making does not pay ; mounts, duties, the leather market and everything is up. The harness side of the business is run at a loss. The 25 per cent. is quite sufficient to keep the trade in the country. If it were put up to 40 per cent. it would simply be hampering the trade. It is no use having a tariff higher than is absolutely necessary.

4158. If 25 per cent. is necessary why do you ask for lower duties on the other items ?—Because we want to make a profit.

4159. A reduction, you suggest, will affect the price of the harness ?—Not at present, until the tin and brass and nickel market comes down.

4160. Even if you get a reduced duty it will not affect the price of harness ?—It will eventually, in two or three years' time. You know the leather ring is on in America, and we cannot get the stuff.

4161. You said you understood the tariff was meant to help the trade. Can you explain that remark?—We were told we were going in for a protectionist Colony, to keep the business in the country, and the *ad valorem* tariff—I am quoting Dr. Jameson at his election speech four years ago—was to be for the ordinary run of goods, printers' things were to come in almost free, and other things which could be made in the country would have a heavy tariff put on to shut out stuff from England.

4162. As a matter of fact, he was perfectly correct ?—More or less.

4163. You say the duty of 25 per cent. is ample protection for the Colony ?—Yes.

4164. In your opinion the 25 per cent. *ad valorem* has shut out the English article ?—I am certain of it.

4165. With regard to the 15 per cent., you recognise that we must have some revenue ?—I am quite willing. The larger amount of our stuff is put in at 25 per cent.

4166. Are there any new items there which are not now at 15 per cent ?—Gig saddles and neck collars, which are coming in as harness.

4167. You recommend a reduction ?—Yes.

4168. The 15 per cent. list practically remains as it is ?—Yes.

4169. If anything, we are going to get less revenue ?—No. Leather sporting goods are an increasing trade. I suppose there are five times as many of those sold now as in the past, especially in connection with golf. There is an increase in the output and there are more imported although there is the same duty on.

4170. On the present basis it is 15 per cent., and on your suggested basis it should be 15 per cent. ?—I suggest that the sales on the sporting goods are five times as much, and therefore the revenue is five times as great.

4171. As far as I can see your suggestion will reduce the revenue. You bring gig saddles down from 25 per cent. to 15 per cent. ?—Yes, but it will increase the labour in the Colony, because the man at present importing everything will make three-fifths of his harness.

4172. With regard to thread, wax, hemp, pitch and tools, would that make a very big difference ?—It is an exceeding hardship I think that the manufacturer's machinery should come in free and the workman's tools pay 15 per cent., less 3 per cent.

4173. Would you rather see machinery under the 15 per cent. ?—No ; I would rather see the whole thing, because the Government is supposed to be fostering a movement for the sake of the working man. It did not pay me to have machinery before because it did not pay me to make machine-made harness.

4174. This suggestion of yours will still further reduce our revenue—bringing in small articles like thread free—which will have to be made up somehow ?—It would not mean the loss of much revenue.

4175. But, if that be the case, whatever they lose is going to be a gain to the manufacturer. The consumer will not get the benefit ; it will not reduce the cost of the harness ?—No, but unless we get this we will have to raise the price of harness. We cannot be expected to manufacture at less than the selling price or just to balance the books.

4176. I suppose, owing to the increased cost of living, harness has gone up ?—Everything has gone up.

4177. There will be the same effect on imported harness ?—Yes. But we cannot keep jumping our list every few months when there is a jump in the metal market.

4178. You cannot get apprentices here ?—I have one, but would take three to-day if I could get them ; I would be glad to.

4179. You were very emphatic about the prize Colonial harness you made which you cannot sell. How long ago was this made ?—Three years ago. I do not say I cannot sell it, but I will not.

4180. You cannot get a price ?—No ; I would not let it go out of the store, because it would break and would damage my name. It is a swagger set of harness with my name on, but I do not want it to go out and smashed up. It cost £45 to make.

4181. With regard to the English leather, are you quite certain you never get any Colonial hides in that leather ?—I do not think so, because the hides coming out to us are very equal, and it would not pay the tanner to put unequal hides and shave them down. He would rather buy equal hides for the man who wanted them and send unequal hides to the shoemaker, who does not mind them. He sells leather by the pound, and would not shave hides to an equal thickness in order to place them when another man would be pleased to have them as they were.

4182. As far as alum and gebruide harness is concerned, no tariff will affect it ?—No. It is just the same with stinkwood bars and other things. The only way a neck bar comes in is on an English set of harness, and they pay 25 per cent. on it, and the man generally comes to us and buys a stinkwood bar first thing.

4183. *Mr. Scott.*] It appears to me you are the specialist in harness. You make very high-class harness ?—We make a thoroughly reliable, good thing.

4184. I suppose it is principally black leather ?—No, brown. We make some, but brown does not take so much trouble to clean.

4185. Your difficulty is that you cannot get good leather in the country. Coming to the tariff here, I see you propose leather belts should come in under the 25 per cent. *ad valorem* ?—Yes.

4186. Do you know anything about leather belting ?—Do you mean machine belting ?

4187. I take it to be machine belting ?—That is a separate business.

4188. What is this ?—Leather belts are body belts worn by men, and so on. Machine belting is a separate industry.

4189. Can you make these purses ? What are they ?—Portsea purses and so on. Those are fancy goods, and we do not mind paying 25 per cent. because you can always make a profit on fancy goods. You can pay 25 per cent. and smile at it.

4190. Coming to riding and gig saddles, you have classed them under the 15 per cent. *ad valorem* ?—Yes.

4191. I understand you do not make saddles ?—I can do.

4192. There are saddle makers in the Western Province ?—And in the Eastern Province. There is one of the largest saddle makers in South Africa who makes saddles here, and pays a heavy salary to a man in Walsall to buy for him, and yet he is a Colonial manufacturer.

4193. The position is this, that of course these saddle makers may want the saddles to come in under your 25 per cent. or more ?—I do not think they will.

4194. We have had no evidence from saddle makers yet. I know saddles used to be made in the Cape very largely ?—There are very few made now. Take our own firm. We have our own saddles made to our own specification. You cannot get them from any one else in South Africa. We will make one if you insist, but it is at a loss.

4195. You say you can make collars here ?—I could get an Indian here.

4196. Why an Indian ?—Because he can make them.

4197. You could get expert British workmen to make them ?—Yes, and a trades unionist out from Walsall might upset the whole shop.

4198. You are not in favour of that ?—Not in favour of too many British workmen—not Walsall men, at any rate.

4199. Could not saddle plates be made here ?—No ; they have machines to stamp them by the tens of thousands.

4200. Saddle trees ; is that not a piece of wood shaped to the back ?—There are no such tree makers here, in fact most of the trees are made in France. They cannot compete in England for that business.

4201. Saddle trees cannot be made here ; there is not sufficient work ?—No.

4202. I see goatskins are under the free list ?—Dressed as Morocco. That is taken over from the East London list ; as a matter of fact, we never touch those.

4203. As a practical man, you made one remark which I did not quite understand, and that was that even if you had a larger output it would not make any difference to your cost. How many sets of harness do you put out in a week ?—You must remember we are in phenomenal times. The market has been glutted. We made about 370 sets last year.

4204. Supposing you turned out 600 in a year at the same expenses with regard to management, rent and what not, would that not bring down the cost of your production ?—Slightly, but we buy everything in the very cheapest market. Formerly, before the war, we turned out 1,000 sets a year.

4205. I only want a practical answer ?—I doubt whether it would make a big difference except as between a paying and non-paying business. At present it is not paying.

4206. You say it would not make very much difference ?—It would not.

4207. You would employ more machinery, and the general rule is that if your output is increased it brings down your working expenses. That is what we hear everywhere ?—But the machinery makes very little difference ; the machines we have can do the work.

4208. *Chairman.*] Would you consider this protection you ask for is really for what would be termed a " bastard industry " in this Colony ? Everything is imported ?—No ; everything is not imported. For instance, you could not call the joiner's industry a bastard one. He imports his wood, screws, nails, glue and everything.

4209. Practically all the raw material used is imported ?—Yes, except gebruide leather and sheep and goat skins and many little things.

4210. I suppose it would generally be termed a bastard industry ?—They have no right to term it that. A bastard industry is one where you import the finished parts and put them together, I take it. The cycle industry is a bastard one. We do not import the parts and buckle them together.

4211. Would you be surprised to hear that if you had given evidence before the last Customs Conference this 25 per cent. would not have been put on ? It was with the idea to use Colonial leather for harness that the 25 per cent. was put on ?—If you asked me a question like this : would you like all tariff to be taken off your business ? I would say Yes, because I prefer it. Let everything come in free and everything be sold and the Englishman compete. If I had my stuff free I would beat the Englishman, because I can beat him in suitability to the country.

4212. You really do not want protection for your trade ?—Provided the man supplying me with material does not want protection.

4213. If harness and leather came in at 15 per cent. you would be satisfied ?—If leather came in free ?

4214. Then harness would come in free ?—I only want protection on my harness.

4215. I was at the last Customs Conference, and the principal reason for 25 per cent. being put on was so that Colonial leather could be used for harness, and if you told them Colonial leather could not be used I think the 25 per cent. would be taken off ?—Then you would shut us off ?

4216. If you say you want protection to use Hindu labour I should say so ?—I do not want that.

4217. Your evidence is you would use Hindu labour ?—I would not. I could get him. I cannot have any one else in the country except a Hindu, unless I have a man from Walsall.

4218. You mentioned golf goods. What leather is used in that ?—They use golf bags and knock them to pieces in about three weeks, and then have another one. You would be surprised at the number which come into our place to be mended and we do not sell them.

4219. *Mr. Harlow.*] You made an assertion in reference to rough tanned leather. You said it would cause a lot more work fr white men. Have you any authority for stating that ?—I am certain, because three-fourths of the business is in currying. You could not have native curriers.

4220. Would you be surprised to hear that nine-tenths of the curriers in this country are coloured ?—I would not when I know the quality of the leather they turn out.

4221. You said you preferred a coloured collar maker to an Englishman ?—No. I said I could not get a man in this country to do it except a Hindu. I would not have a Hindu on the place.

4222. You would not employ a white man ?—I could get one from Walsall.

4223. But he would be detrimental to your business ?—He would be a nuisance probably ; he would be detrimental to my men.

4224. You do not believe in men organising ?—I do not mind on fair lines. I know the Walsall saddler too well. He does not want half a loaf, but the whole. The Walsall idea of organisation is not the idea of organisation of the best trades in England.

4225. Does railway preference affect your trade ?—Very little. Take a 13-guinea set of harness weighting 45 pounds. The railway preference does not amount to much ; it is only 1s. or 2s. in the £13.

Tailoring and the Manufacture of Wearing Apparel of all Desoriptions.

Robert Moore, Tailor, examined :

4226. *Chairman.*] You wish to give evidence regarding tailoring ?—Yes. I have a written statement here. The following statement was handed in :

1st. That Government be asked to impose a duty of *45 per cent.* (*forty-five per cent.*) on all "*Bespoke Clothing*" or clothing made to measure (*not ready-made*) coming into this country, either for private individuals or importing firms.

2nd. That they be asked that the makers or manufacturers of bespoke clothing shall be compelled to make a declaration on the other side that their invoices be correct as to price and consumption, and the receiver be also compelled to make a similar declaration on this side.

3rd. That each *bona-fide* ready-made garment must have a label of some material *Not Paper* sewn on designating it as such, any garment not having such a label to be charged 45 per cent. duty.

4227. This is the point you wish to bring before us ?—Yes ; this is the point which we think affects us most as tradesmen.

4228. We have had this evidence practically in Port Elizabeth ?—I communicated with a couple of master tailors not in the association there, to ask their views on the question, as we wanted to be as uniform as possible and not to give too much trouble ; and I also thought it would be best if we could form a unanimous opinion. Their first communication we thought too strong, and that it would not work, and we thought this would meet our views better.

4229. They withdrew theirs and adopted this in Port Elizabeth. You have nothing further to add to what they said in Port Elizabeth on this question ?—I do not think so. I attribute a good deal of the falling off in the trade in this town to the Home orders. Before the Home order system came into vogue in Grahamstown I employed from eight to ten men, and now I employ one regularly. I have to take off my coat and work myself.

4230. Did you see the proposal in Cape Town ?—No.

4231. That cloth should come in at 5 per cent. and clothing at 25 per cent.?—No, I did not see that. I was going to make a proposition on that point—that raw material and trimmings for tailors, intended for manufacture, should come in free ; that is to tailors only, not merchants.

4232. Do not the tailors often buy from merchants ?—Men in a small line cannot afford to send an order Home. Before trade fell off I imported my own goods.

4233. It would not pay you to do it now ?—Not unless I had a staff working.

4234. *Mr. Tod.*] Did you find any improvement in your business when the present tariff was put on ?—None at all.

4235. Do you know whether much of this bespoke clothing comes into Grahamstown from oversea ?—A lot of it.

4236. Who takes the order for that clothing ?—Birch, Brookes and all these drapers, and some tailors in a small line.

4237. I suppose they get these suits out a number at a time ?—Yes ; they supply suits to be delivered in three months time.

4238. Is much of this class of work brought into Grahamstown through the parcels post ?—I could not say, but I know the merchants do a good deal of it.

4239. And at prices you cannot compete against ?—Yes. The man who takes the orders gets half profit off the Home orders where the tailor here cannot get a fifth.

4240. What price do they charge for an average suit of clothing from Home, delivered to the customer here ?—They run from £2 to £4 10s.

4241. And half that is clear profit to the merchants ?—Yes. They want me to go in for it.

4242. Do the public get good value ?—No ; they might as well buy ready-made clothing off the shelves. They are only ready-made made to order. If you bought off the shelves it would be the same quality, only the merchant takes his measure and sends it Home for the same thing.

4243. Can you explain it ?—Some men cannot see any difference between a ready-made and a tailor-made garment.

4244. Is the material good ?—Some is good, but the workmanship is bad.

4245. I suppose your argument is much on the same lines as that of the Port Elizabeth tailor—that you want the work done in this country ?—I think we must do it, and if the country is to progress we must keep all the money in the country as far as possible.

4246. Do the Commission understand that you want a difference of something like 30 per cent. between the duty on the raw material and that on the manufactured article ?—Just so.

4247. Do you wish that to apply to all clothing, or merely this bespoke clothing ?—The bespoke clothing only. I do not want to interfere with the common ready-made clothing, because there is a class of people who cannot go in for bespoke clothing.

4248. But then, instead of calling it bespoke clothing, they will call it ready-made. If they sell it as ready-made clothing will you not have the same competition to meet ? You want ready-made clothing marked as such ?—Yes, and not by paper labels.

4249. Have you given consideration to the preferential railway rates on Colonial made goods ?—We left that to the secretary of our Association to bring forward.

4250. I suppose you would have no objection to that being done away with, because you do not reckon it gives you much assistance ?—No. I think there should be a uniform tariff.

4251. What class of labour do you employ—black or white ?—White.

4252. If you had plenty of business in this bespoke clothing trade, would you engage apprentices to train them ?—If business were good, but not under the present circumstances.

4253. Could you get them ?—Any amount, but I advice people not to put them to the trade in the state it is in.

4254. *Mr. Harlow.*] Do you know if any other country has as high a rate as you ask for here ?—There are other countries where I may safely say no bespoke clothing is imported, because they keep the labour there, and one of those is the most prosperous colony in the British Dominions.

4255. I suppose you do not know what the other tariffs are ?—No.

4256. Do you think this 45 per cent. would mean the whole thing being done in this country ?—It would not cure the whole thing ; it would go to help us. We cannot ask too much, or we will not get anything.

4257. You suggest a tariff of 5 per cent. on the rough goods ?—Raw material should come in free, I should say, but it is not in our proposals and we are not touching that.

4258. You do not mean you want 25 per cent. on clothing and raw material free? —We are not touching that question, and I will leave it as it is. We cannot touch on anything not in this paper.

4259. *Mr. Kayser.*] What is the present duty on clothing ?—Made up ?

4259a. Yes ?—I cannot exactly say. I only make and do not import.

4260. You are asking for a duty of 45 per cent.?—That is the recommendation of our trade.

4261. You do not know what extra duty you are asking for ?—I only know we want to make it equitable as nearly as possible.

4262. You do not know how much more it is than the ordinary duty ?—No.

4263. *Mr. Scott.*] I suppose your clothing is equal to, or as good as, the imported tailor-made clothing ?—My clothing will compare with that of the best first-class firm in London, because that is where I worked as a journeyman at Home—with first-class firms. If a Kafir gave me an order his suit would be as well made—it would have the same labour in—as one for the Prince of Wales.

4264. Your only complaint is the bespoke clothing ?—Yes. It is cutting our trade down, so that by and bye it will be impossible for us to live.

Miscellaneous Industries, &c.—Incubators.

Charles Harris, Cabinet Maker, examined :

4265. *Chairman.*] You wish to give evidence on incubators ?—Yes. I have a written statement here. The following Statement was handed in :

1. To impose a duty of 25 per cent. on all Incubators.
2. Incubators at present classed as agricultural apparatus.
3. Colonial-made Incubators pay same railage as imported.
4. Although no duty charged, doubtful if consumer gets benefit as :—My offer of 15 per cent. off my Incubators to P.E. firm was refused, giving reason "discount totally inadequate," and that in the face of their not having to handle the goods, but simply take orders and send direct from my workshop.

4266. Do you wish to state to the Commission any other points besides those mentioned here ?—No.

4267. *Mr. Kayser.*] Have you been making these incubators long ?—About twelve years. I have several testimonials here, which I produce. One covers a period of eleven years.

4268. Do you find the imported incubators affecting you now ?—The last couple of seasons.

4269. Is here any particular reason for that ?—I do not know that there is any reason, only that I was tied up by managing another business and was not able to devote any personal supervision to this. I did not discover that the American machines had got into the market really until I came out of this business.

4270. Have you always been able to deliver your incubators punctually ?—No. I have been handicapped. It was really the war that drove me to another business. I have always more or less held my own, but at the time when incubators are required—the hatching season, between July and September—the demand is so keen that, not having enough capital, I cannot keep a stock sufficient to meet the demand. Every one leaves it till the eggs are on the veld, and then they want incubators. I have had to hold orders over, and they have been cancelled.

4271. I suppose you know English incubators have been practically unobtainable, owing to the increased demand ?—I did not know that.

4272. You have not been able to deliver your incubators this year ?—Oh, yes. I have not had any demand this year though. I only came out of the other business and discovered this encroach from July, and the season was then fairly well advanced. Since then I have got the machine of which I produce a photograph, purely and simply to compete with the American machine, and that is only now being advertised.

4273. Before you discovered, about July, that the American machines were taking your market, did you feel you were getting the bulk of the trade ?—Last season we got a fair trade.

4274. Were you able to deliver all the orders then ?—Not nearly.

4275. So, to a certain extent, the imported incubators have been forced on the market ; if they could not get Colonial incubators, they had to go somewhere else? —Quite right, to a certain extent.

4276. Have you any objection to informing the Commission of the prices of your incubators ?—I have brought a card which I will hand in. [*Price list handed in.*]

4277. What do you charge for a fifty-egg ostrich incubator ?—I can give you three American machines on the market and mine. One American machine —for 48 eggs—is selling at 15 guineas, another at £13 10s., and one at 10 guineas. My machine, of the same size, is £11 19s. 6d.

4278. Are you quoting the wholesale or retail prices ?—All these are prices to the consumer.

4279. Is that the price in Grahamstown ?—Yes.

4280. You mention here an offer of 15 per cent. discount which a certain firm refused. Do you know the discount offered to the trade on these other incubators ? —No. I have tried to give a reason later on in my statement for their refusing the 15 per cent. That is my own opinion.

4281. There is no reason given on the paper I have before me. It concludes, " and that in face of their not having to handle the goods, but simply take orders and send direct from the workshops " ?—I want to add to that, " the inference being that the imported article stands greater profit, consequent on no duty charged but being included in the profit when sold to the consumer."

4282. There is a duty on incubators ?—Only 3 per cent.

4283. " In consequence of only 3 per cent. duty being charged," you want to state ?—Yes.

4284. This is your inference ?—Yes. I can give an idea, though, what the machines would probably cost in America and what the importation charges would be on them, and the amount of profit—all probable, of course.

4285. Give that if you think it will be useful to the Commission. I am surprised this offer of yours of 15 per cent. to the firm taking the incubators was not accepted—that is, if the farmers would have them ?—If the season had been on I should not have been able to make them fast enough.

4286. Do you use Colonial timber in the manufacture of incubators ?—None whatever, all imported.

4287. Have you any idea as to the percentage on the cost of the incubator which the freight bears, say, from the port of export in America ?—I know the package would measure about 33 to 35 feet.

4288. You do not know what percentage the freight paid would be ?—It depends on the trade, which fluctuates so very much from America.

4289. Does it ?—I found it so in the business I was in.

4290. The freight at present is fairly stationary. Take the present day ?— Is it about 25s. a ton ?

4291. I think on incubators 31s. 3d. You do not know what the percentage is ?—No. The other American charges would be about 12 per cent., and the balance would be freight.

4292. Whatever percentage of freight there is would be an additional protection, of course, to the Colonial manufacturer—whatever the freight is on the incubator ?—Yes, if the first cost is little. It is infinitisimal in America compared with mine.

4293. Would the freight on the manufactured article exceed that on the raw material ?—Very much. It is bulky, whereas the raw material would lie flat. The finished article is more or less cupboard shape. If it went by weight it would not matter, but it goes by bulk.

4294. The rate to Port Elizabeth is 33s. 9d. from New York and 30s. from Montreal per ton of 40 cubic feet. You say an incubator measures about 30 feet ? —Yes.

4295. *Mr. Scott.*] Your contention is that you can easily make this incubator ? —Quite easily.

4296. And equally as good as the imported article ?—I can give you twelve points where it excels over the American machine. That is, two of the American machines. The one Mr. Kayser just questioned me about has one of the points of my machine.

4297. You say your machine has points about it which the American machine has not got, advantageous points ?—Yes ; and I have exhibited these at two stock fairs, and the farmers are greatly taken up with them. Numerous farmers tell me they will go in for them next year, but they will not buy in anticipation. I have sold some, but not many.

4298. Could you write out the points and hand the list in ?—Very well.

4299. Does the imported incubator come in " knocked down " or in a bulky parcel ?—In a bulky parcel.

4300. The legs and everything are cased in a box ?—They are taken off and put underneath or inside the machine. The bulk is the actual machine itself.

4301. Do you make the whole machine or only the woodwork ? Do you make the tin part of it ?—The whole of that machine is made in Grahamstown from the raw material.

4302. Then you give work to the tinsmith ?—Yes, and a great deal too.

4303. What sort of wood is it made of ?—Poplar and pine.

4304. Would not our yellow-wood do equally as well ?—No ; it warps too much.

4305. If you season it ?—I am afraid it would not be suitable for incubators, because an incubator is subject to extremes of temperature and moisture.

4306. Evidently on the 48 ostrich egg incubator you are quite able to hold your own as regards price ?—No ; there is one American machine at 10 guineas which is cheaper than mine.

4307. Have you any machinery at present ?—No.

4308. If you put that down would you be able to turn them out very much cheaper ?—As a matter of fact I do make use of machinery now ; I use the machinery of Mr. Davidson, who gave evidence yesterday ; I hire it at so much an hour. I send the timber there and cart it back to my place. The work that can be done by machinery I get done at places here where the machinery is obtainable.

4309. You simply want the duty altered to keep out the imported incubator ? —Yes. The market is very small at the present time for incubators. I have already got about 700 of these machines distributed throughout the country. Some men have as many as six or seven. I have a testimonial here from one man—McLuckie—who has six or seven. I would like the Commission to read the testimonials.

4310. If this duty were put on you think the merchants would be bound to come to you for incubators ?—Yes.

4311. You are willing to give 15 per cent. ?—I was dumbfounded when I had the reply refusing the 15 per cent.

4312. I am surprised to find the merchant does not encourage you in the making of this article when you are willing to give him 15 per cent. ?—I should not have come before this Commission at all, and was satisfied to go on, but when my machines were refused at 15 per cent. I thought there was something more behind it than I could get hold of, and that possibly a duty would induce some Port Elizabeth firm to take up my machine, because a manufacturer cannot dispose of his wares privately ; all wares manufactured must go through a middleman to some extent ; a manufacturer cannot devote his time to everything.

4313. Did you try more than one firm to take up your machine ?—Only one firm, and I was led to believe by an agent of theirs in town that they were favourably disposed towards my machine and would have liked the handling of them, otherwise I would not have approached them. I have had an idea of going to Port Elizabeth and interviewing the firms other than those handling the American machines.

4314. If you got the merchants to handle your machines it would be much cheaper than sending travellers all round the country ?—I have never been able to afford that.

4315. Is your factory in town ?—Yes, in Bathurst Street. I would only be too pleased to show the incubators and explain the points. It is in a very humble way, of course, and a good deal of the work is done in different places. Some of the work is done by a man for me under contract. Of course there is a lot of cabinet work in an incubator which an ordinary cabinet-maker can do from specification, but the actual converting into an incubator can only be done by a man understanding their manufacture.

4316. You contend there would be no burden on the farmer here if you were encouraged in the manufacture of the incubators ?—Yes. I should not put up my price in the least ; in fact I would be prepared to pay an excise if the duty meant less revenue to the Government—that is, equivalent to the loss of duty on stopping the imported machines—but as soon as I have had that idea I have gone through the tariff book, and found they get them in as agricultural apparatus.

4317. You would be willing to pay the 3 per cent.—rebate it to the Government —on your manufactures. Is that what you mean ?—Yes.

4318. *Dr. Viljoen.*] Are you the only manufacturer here ?—In Africa ; and it is the only genuine ostrich incubator in the world, made as such. There has never been an automatic ostrich incubator made. The American machines are poultry machines adapted to ostrich eggs.

4319. *Mr. Scott.*] If you had the making of all the machines coming in from America how many men would you employ ?—It would not be a great number.

4320. *Mr. Pyott.*] You say there are times in the season when you cannot make them fast enough. Do you not keep a stock ?—I would if I had capital. I am making every endeavour to get at least fifty of these machines in stock in order to meet the demand which I have every indication of getting in the season.

4321. You maintain the only way to get at the public is through the merchants ? Yes.

4322. And you have to give them 15 per cent. on your profit ?—I have given the middlemen up to 10 per cent. up to the present and the 15 per cent. was an extraordinary offer to a firm to take up the machines. They were to take the agency for the Orange River Colony, Durban and the Transvaal.

4323. *Mr. Harlow.*] Are you making any preparations at all for instructing any one in the making of these machines ?—Do you mean with a view to carrying on the business after me.?

4324. Yes ?—My son is at present engaged with me.

4325. Do you not think it would have a tendency for other people to come here if you got this tariff put on ?—I do not think the market is an inducement at all. The American makers, for instance, will not care a rap about sending their machines to Africa at present, but if there is protection throughout the Colony, and we get a larger population here, the demand will be better, which is one of my reasons for asking for this, because I am thinking of a bigger market later on.

4326. Supposing you got this tariff, you would be able to open your own factory and employ your own men, instead of sending out the work to different people ?—If I could secure the whole of the incubator trade I should soon be in a better position, and could reduce the cost to the consumer.

4327. Do you not think it would come rather as a higher price—not in this district, but perhaps further away in the Colony—if you had the sole supply ?—I do not think so. For the twelve years I have been making the incubators there has never been an attempt to copy my machines. I have not even patented anything in connection with the machines.

4328. *Mr. Tod.*] Do you not think if you got a protective duty there is just a chance that the American article would still pay the duty and cut under your price ? I do not think they can do that.

4329. Evidently you are under the impression that the merchant handling the American machines at present has a very big margin of profit—more than 15 per cent.?—Yes, because of this refusal of my offer.

4330. The merchant may be getting double that ?—My figures I worked on showed he had double.

4331. You are aware there is a protective duty on furniture ?—Yes, of 15 per cent. and 12 per cent.

4332. Are these incubators paying any duty at present ?—Simply 3 per cent. from America.

4333. Do you recognise any essential difference between your machine and a cabinet ?—It depends entirely on its being called an incubator.

4334. If anything, the difference from the labour point of view is in favour of your machine, in so far as there is more skilled labour required in your machines ? —Yes.

4335. Really there is more labour put into them ?—Yes.

4336. And if the argument is correct that furniture and cabinet work should be protected you ought to get an equal protection ?—Yes. Comparing it with an article of furniture calls up the second item on my list—the railage.

4337. Is it really the case that the Colonial incubators do not get the advantage of the differential rate ?—They do not, because in the classification they are distinctly classified as incubators, and incubators are not dissected again into imported and South African as some other articles are, so that they come under the second class rate pure and simple.

4338. Being for agricultural purposes, the imported incubator gets a lower rate ? —It gets no concession as an agricultural appliance. It gets no concession on the railways. Then I have to pay the same, although mine are Colonial.

4339. Have you tried to get that altered ?—I have repeatedly made out my way bills "Colonial made," and it has been struck out as having no standing. I have not tried headquarters in the matter.

4340. If you got your protective duty would you be prepared not to press the matter in regard to having a differential railway rate ?—Certainly. If I got protection through the Customs in that manner I am pretty certain I should not have much competition from over the water. Of course, as far as I am concerned, the railage does not concern me at all only when the consumer is concerned.

4341. You have had no benefit in the past and are not wishing to ask for it in the future if you get the protective tariff ?—Quite so.

4342. *Chairman.*] Are your prices firm to all buyers—one fixed price ?—Yes.

4343. Cannot you understand why a merchant would not take up your incubator ?—No.

4344. You have admitted you give him 15 per cent.?—I have offered it in one case only.

4345. You give the shopkeeper whom the merchant supplies 10 per cent., so that the merchant would not make more than 5 per cent. at the most. I think the Colonial manufacturers do not understand the position. It would not pay the merchant to handle it at 5 per cent.?—In this case it would have paid any merchant. I offered this firm the agency for Port Elizabeth and district, and also the Orange River Colony the Transvaal and Natal. I reserved to myself the remainder of the Cape Colony.

4346. If a merchant has to supply a shopkeeper, the shopkeeper has to make a profit, and if the shopkeeper wants 10 per cent. the merchant only gets 5 percent.?—I always make it a rule that the price to the purchaser is £11 12s. 6d. by who ever it is supplied—plus railage, of course.

Chutney Making.

Samuel Middleton Pike, Chutney Maker, examined :

4347. *Chairman.*] You want to give evidence regarding chutneys. Do you want protection ?—Yes.

4348. What pretection do you want ?—I think we ought to make plenty of chutney in the Colony, and the present protection is not sufficient.

4349. At present it is what ?—2¼d. a pound.

4350. How much more do you want ?—I should say 3d. at the least.

4351. Would that help you in the Colony ?—I think so.

4352. What quantity do you make in Grahamstown ?—Up to the present I have not made a very large quantity, but I am in hope of making more, and I think if the increased duty were put on I should get more demand for the local manufacture.

4353. What quantity do you make ?—At present I am only making about fifty or sixty dozen bottles a month.

4354. You think with 3d. duty you could increase that quantity ?—I think so.

4355. It is all for local consumption ?—Yes, and entirely of Colonial ingredients, manufactured in Grahamstown. I have a bottle of it here. [*Producing same.*] Even the labels are printed in Grahamstown. and the only things not made here are the bottle and capsule. If there were a bottle manufactory I would also buy those here.

4356. *Mr. Kayser.*] Do you know what percentage the present duty amounts to on the cost in England ?—No, I do not.

4357. You do not know it is about 40 per cent. on sauces ?—I did not know it was so much as that.

4358. You have not gone into the present duty at all ?—No.

4359. But you ask for ¾d. a pound more ?—I understood the Port Elizabeth Manufacturers' Association were asking for an increased tariff on the chutneys, and I am of the same opinion as they—that the tariff is not sufficient—but I have not gone into it personally.

4360. *Dr. Viljoen.*] It is 2¼d. now, and you want it made 3d. That is the position ?—Yes.

4361. You say all the material you have in that bottle—apart from the bottle and the capsule—is Colonial stuff ?—Yes.

4362. And you simply put it together ?—Yes.

4363. Is much chutney consumed here ?—A great deal. The grocers all stock it. They seem to sell more imported than Colonial, though ; I do not know why it is. I do not think it is better than ours.

4364. Have you a ready sale for this ?—Yes.

4365. Can you sell as much as you can make ?—I could make considerably more than at present.

4366. Are they selling the imported article cheaper than yours ?—I do not think so.

4367. And your article is just as good ?—I think so, and a great many other people do, but there is a great deal of prejudice against Colonial manufacture.

4368. Not sufficient patriotism ?—No.

4369. *Mr. Pyott.*] I suppose your idea in asking for further protection is to keep out the imported article and to enable you to sell yours, and practically to compel the people to use Colonial stuff ?—Yes. If they will have the imported let them pay for it.

4370. *Mr. Harlow.*] If this tariff were put on could you supply the whole Colony ?—Not myself, but I am not the only one manufacturing chutney.

4371. Do you think the Colony could be supplied with its own sauces ?—I think so.

4372. Without raising the cost of it to the consumer ?—Yes.

Parcels Post and Auction Sales.

Richard Restall Stocks (*of R. R. Stocks & Co.*), *Charles George Miles* (*of T. W Birch & Co.*) and *Henry Fitchat*, examined :

4373. *Chairman.*] You wish to give evidence regarding the parcels post ?—*Mr. Stocks.*] Yes. The view we take is that the distributors in this country have suffered a great deal of injury by the facilities of the parcels post. We recognise that it is a very useful institution, but it has brought the oversea trader in competition with the local trader, very much to the detriment of the latter, and although it is quite possible in many cases that there may be an advantage to the general consumer we think, as distributors in the country, that we are as necessary to the welfare of the country as other members of the community. The position we take up is that the oversea trader does not contribute in any way towards the revenue of the country, whereas a large proportion of the revenue is drawn from us as traders. We think some discouragement should be given to these facilities for the parcels post. We do not wish it done away with, but think it should be discouraged in some way. Of course we have various ideas as to the way in which this discouragement should take place. Some two or three years ago it came to our knowledge that there was a considerable amount of fraud perpetrated by importers, and I had a hand, together with a prominent Cape Town merchant, in bringing to the notice of the officials the fact that these frauds were going on. Since then there has been much closer supervision of the parcels, and I daresay you know considerable amounts of fines have been imposed on the people who were perpetrating the frauds. Still, that does not go the whole way, and we would like the thing to go further.

4374. What do you suggest ?—I think we agree pretty well on this point. It is rather a big order. There is such a thing as an importer's licence. We have always taken up the position that this was a very unfair licence. Anyone importing over the value of £1,200 is subject to a £12 licence, whereas a small trader, who imports a lesser value than that, does not contribute at all to the importer's licence. We think there should be an entire review of the incidence of trading licences. My idea is that the trader's licence should be raised and the importer's licence reduced, the latter licence to apply to every importer.

4375. Would that meet the difficulty about the parcels post ?—It would meet the difficulty in this way. Any private individual wishing to import must pay for a licence, having this at the nominal sum of £3. This would deter a great many private individuals from importing privately, and that, of course, would give a stimulus to the local trader. The local trader has been established here a great number of years, and the recent facilities have been brought about to his detriment, because his capital and his whole status are jeopardised by the introduction of these facilities.

4376. How would you define what an importer is, because nearly every one imports something at one time and another. Anybody importing anything at all would have to pay for a £3 licence ?—If it is a privilege to import, and I as a trader am charged for the privilege of importing, why should not every importer pay for the privilege ?

4377. Would you prefer that to a scale ?—The position I take up is that if it is a privilege for me to import, and I must pay £12 for a licence for that privilege, I do not see why everybody importing should not pay for the privilege. I would review the incidence of trading licences altogether and reduce the importer's licence to, say, £3 and raise the trader's licence, so that the revenue would not suffer.

4378. There is not fraud now to the extent there was before ?—No.

4379. The only remedy you suggest is in the licence ?—There is another side to the question. Many people are of opinion that you should charge a higher duty on things coming by parcels post, but I think it would be rather hard to differentiate.

4380. *Mr. Fitchat.*] A higher duty to those not licensed to trade.

4381. *Chairman.*] Does the bespoke clothing trade affect you to any extent ? —*Mr. Stocks.*] I do not deal in tailoring, so I cannot speak for that.

Mr. Miles.] In regard to the bespoke clothing, it does not come through the parcels post. I would suggest in that respect that a private individual should pay a bigger percentage of duty than the ordinary trader, because the ordinary trader has to pay, first of all, a licence and also keep up his establishment and pay duties and other matters to the Government, which the private individual does not. Practically the private individual comes on a level with the importer, who has to pay licences to the Government.

4382. *Chairman.*] Is this not done to a very great extent by people with general dealers' licences—this bespoke clothing trade ?—*Mr. Miles.*] No. A great deal is done through circulars from oversea traders sent all over the country here and people ordering direct.

4383. Is not the largest proportion done by drapers or outfitters ?—I do not think so.

4384. What would you suggest should be the higher duty ?—I think the tariff is 15 per cent., and I should say an extra 10 per cent. should be put on.

4386. You would agree with the petition from the Port Elizabeth merchants and others asking for 10 per cent. additional duty on bespoke clothing ?—I would agree to that.

Mr. Stocks.] There is just one other point I did not emphasise just now in regard to the parcels post. As you are aware, the Government acts practically as a parcels post agency. The general importer, in order to get a shipment from England, must employ an agent in Port Elizabeth or some other port. Say a lady was importing a ten-guinea costume, the docks clearance charge is only 9d.—6d. for clearance and 3d. for wharfage. If I imported a few bales of wrapping paper, under £10, I should have to employ an agent, and the lowest charge for clearance would be something like 7s. 6d.—1s. 6d. for three stamps on the entries, 3d. for three copies of that entry, and 4s. for that agency. A charge of 7s. 6d. is made for the same value parcel as the Government delivers for 9d. I think that is unfair against the trader. We hold that if the parcels post were put on the same basis as the merchants the private individual should pay precisely the same charge.

4387. *Chairman.*] There is another point in connection with this—bankrupt stocks and things sold by auction—drapers' goods ; have you anything to say on that point ?—*Mr. Miles.*] I do not see how anything is to be done.

4388. *Mr. Tod.*] In regard to the parcels post, you mentioned just now that you would like the small private importers to pay a higher rate as against the regular importer ?—*Mr. Stocks.*] Yes.

4389. At present an individual ordering anything through the post has to pay something like 9d. a pound against the merchant importing, in bulk, at perhaps ¼d. a pound. Surely that is a sufficient differentiation in regard to the actual cost of bringing the article from oversea to South Africa?—I am not prepared to go into the question of rates and railage now. It is not such a great difference though.

4390. There is another aspect of the question. The Colonial postage rate is 8d. per pound and the oversea postage rate 9d. per pound. I can quite understand that that is placing the Colonial dealer at a disadvantage, because a shipper in England, who is practically not contributing towards the upkeep of this country, is practically put in the position to command the markets in South Africa. Would you not suggest that the inland parcels post be put at half the rate of the oversea parcels post ?—That would be of very great value. That has been discussed a good deal, and we understood from the authorities that it was impossible to reduce the inland rate.

4391. We can raise the oversea rate ?—I do not think we can, because I understand there are two parties to the oversea rate, and you cannot raise it without the consent of the Home authorities.

4392. Are you prepared to recommend anything in that direction, to make the Colonial parcels post half that of the oversea rate ?—I think the parcels post is a very useful institution and we do not want to do away with its usefulness, because of course the trader uses it and there are times when it is very important he should be able to use it.

4393. For oversea ?—Yes, and we do not want to do away with those facilities, and therefore I do not think it would be advisable to raise the rate. I think a much fairer way would be to get at the consumer in the way I suggested.

Mr. Fitchat : We are of opinion that the Colonial rate should be reduced. That is the resolution we passed at our Chamber of Commerce. We are quite agreed on the point that there should be a reduction.

Mr. Stocks : I have some figures relating to the difference between the carriage and parcels post, showing what the average was, but I have not them here.

4394. *Mr. Kayser.*] Mr. Stocks, you mentioned something about everybody importing through the parcels post taking out a licence. You are aware that many people receive presents through the parcels post ?—*Mr. Stocks.*] Yes.

4395. Should they take out a licence ?—I think every one receiving a parcel, whether it is a present or not, and not wishing to pay for the licence, should hand the matter over to an agent who does pay the licence, for clearance. At present you have to pay duty on the valuation.

4396. *Mr. Fitchat.*] If there was a declaration that it was a *bona fide* present, I do not think there would be much difficulty.

4397. *Mr. Kayser.*] Then everything coming by parcels post would be a *bona fide* present. Is it a fact that agents pay an importer's licence ?—*Mr. Stocks.*] He should if he lays himself out for this.

4398. You would like these parcels handed over to an agent who did pay an importer's licence ?—Yes.

4399. You suggested a reduction in the importer's licence ?—Because I wanted it to be universal—every importer to pay the licence.

4400. Why not have it universal at the present rate ?—I am willing, but I thought that would probably not meet with the wishes of the country.

4401. Is it not a fact that by reducing a licence of that description you would encourage the very thing you wish to avoid ?—I do not insist on the reduction, but would require every importer to pay an importer's licence ; that is the crux of the whole thing.

4402. You think every parcel should be sent to an agent for clearance ?—I only pointed out that the Government do the thing very much more cheaply than an agent can possibly do it, and that the parcels post gives facilities against the local trader.

4403. You think your suggestion would minimise the number of parcels coming out ; it would make it very difficult to import by parcels post ?—Yes.

4404. You also said the imports by parcels post have decreased ?—No, I think that was at the suggestion of the Chairman.

4405. You said since the Customs have been more particular, the frauds have decreased ?—Yes.

4406. As a matter of fact, if I told you the ratio to-day of imports by parcels post is the same as before would you say I am wrong ?—I would not contradict you. I may say I followed the matter up, but I have since been out of the country and have not done so lately.

4407. *Mr. Kayser.*] Mr. Miles, have you heard of the suggestion to put a duty on bespoke clothing ?—*Mr. Miles.*] Yes ; I did hear that some of the Master Tailors' Association wanted to put on 25 per cent., or something like that.

4408. What is your opinion of that ?—It is an absurdity.

4409. Why ?—I do not think there are sufficient tailors in the country who can supply at a price to the consumer of ready-made clothing.

4410. If that duty were imposed, on what class would it have the most effect ? Would it have an effect on any particular class of the community ?—Yes, on the poorer class man. It would probably not affect the man who always goes to a tailor and pays five or six guineas for a suit, but it would have a great effect on the man who always buys the ready-made article.

4411. The man in receipt of a small salary ?—Certainly.

Garden and Vegetable Seeds and Plants.

Charles Gowie, of W. & C. Cowie, Seed Merchants, examined :

4412. *Chairman.*] You are a seeds merchant ?—Yes, of W. & C. Gowie, Grahamstown.

4413. What points do you wish to bring forward ?—In the list in the new Tariff it appears, " Seeds, plants, bulbs or tubers for planting or sowing only, not including edible kinds of fodder." Evidently the Customs Department regards rape seed as seed which can be eaten. The only purpose for which it can be used is as parrot food.

4414. *Dr. Viljoen.*] I have rape seed coming from Sutton and Co., and I put it on the land for the sheep ?—Then there are peas and beans which we have to pay duty on. We are seedsmen and import for seed purposes. Whoever buys seed peas for food ? You would not go to a seedsman to buy a packet of peas of this description for food. Beans you might. There are cereals and this American corn which we import for seed purposes. If you would not eliminate these duties perhaps you would permit us to sign a declaration that these seeds were imported solely for sowing purposes and admit them in free.

4415. Do you not think that would be abused ? Do you not know that that system has been abused very much in the past and that that is why it was altered—that any farmer will sign that document and yet uses it for any purpose ? These documents were signed all over the country ?—Still, it is a little bit hard on the seedsman. We have Branches in Bloemfontein and Bulawayo, so the importations are fairly large.

4416. *Mr. Pyott.*] Would you enumerate the seeds you want to be on the free list ?—Rape seed, peas and beans, cereals.

4417. What do you mean by cereals ?—Wheat, etc.

4418. *Mr. Tod.*] Do you want that on the free list ?—For seed purposes. Corn and grain—wheat, barley, and so on—everything for seed purposes.

4419. *Chairman.*] You do not know the reason we altered that at the last Convention. The farmers agreed that if we put sufficient protection on their production—which we have done—they did not mind paying out on the seed. Everybody would declare stuff imported was for seed purposes when it was not ; these declarations used to be signed all over the country ?—At the same time it presses pretty heavily upon the *bona fide* seedsman.

4419a. That was the reason. The farmers agreed that with this protection on their production they were quite willing to pay the duty on the seed, and then you could not guard against fraud in the system you suggest ?—Peas and beans are sold by us more particularly to individuals—amateurs.

4420. *Mr. Pyott.*] Will you hand in a written statement stating what exemptions you require, and giving your reasons, briefly ?—Yes. (*Vide* end of evidence.)

4421. *Mr. Kayser.*] Have you charged any more for your peas and beans since the duty was imposed ?—No.

4422. If the duty were reduced, the consumers would not get any advantage ?—There is a great deal of competition, you know.

The following statement was subsequently handed in :

Grahamstown, Cape Colony,
14th November, 1907.

THE SECRETARY.
Tariff Commission,
Grahamstown.

DEAR SIR,

In pursuance of the course recommended by your Commission to our Mr. Charles Gowie this morning we beg to name the following Seeds upon which we desire that the import duty should be removed, viz. :—

Seed Peas,
Seed Beans,
Seed Corn (Mealies or Maize),
Cereals.

These items are now rated as Fodder, and our suggestion is that when *properly certified that they will be used solely for sowing purposes*, they should be admitted free as is the case with other seeds. It is just as necessary to import these products as it is to import other seeds which are admitted free, it being practically impossible to procure them in the Colony of the required purity and excellence.

We are, Dear Sir,
Yours faithfully,
W. & C. GOWIE.

KING WILLIAM'S TOWN, 16th and 18th November, 1907.

PRESENT:

GEORGE WHITAKER, ESQ. (Chairman).

C. F. KAYSER, Esq.	G. A. SCOTT, Esq.
C. E. TOD, Esq.	J. HARLOW, Esq.
Dr. A. G. VILJOEN.	

G. OWEN-SMITH (Secretary and Customs Adviser).

Building Trades, embracing Carpentry and Joinery, Glass Embossing and Bevelling, Leaded Lights, Lead Pipes, Shop Fittings and Stone Cutting.

John Michael Clur, Carpenter, Joiner and Manufacturer, examined:

4423. *Chairman.*] You wish to give evidence before the Commission on the building trade—regarding competing with the Home manufacturers?—Yes. I have a written statement here [*handing in the following statement*]:—

> "I wish to give evidence on behalf of the Wood Working Industry. We have to compete against the large importations of ready-made building material and besides the disadvantage of being obliged to use imported timber a substantial proportion of the duty and freight paid thereon is lost owing to waste in the course of manufacture. If the importation of the manufactured article was stopped or reduced by means of heavy duties imposed upon it, more labour would be employed here in supplying local needs. To enable us to compete we should require protection to the extent of a difference in the duties of say 20 per cent. between the raw material and the manufactured article; the same distinction to be made between roughly sawn timber and partly prepared or manufactured building material and furniture or parts thereof."

4424. You say you require 20 per cent. to compete?—Yes. I produce a diagram of a moulding, which illustrates the amount of raw material required and the waste in making up.

4425. Is there any other point?—In the second diagram which I produce I also show what goes to waste before it is actually prepared. You see, also, that these things coming out from Home are packed in a small compass, and the shipping freights are very much less in shipping here, and when the inland cities have to pay the carriage from the sea ports. I have landed a lot of raw material in East London costing me £37 11s. 6d. in carriage to bring it to King William's Town. If the material had been prepared the carriage would have been £23 to £24, because there would have been so much less weight.

4426. Is it for special purposes?—General manufacturing purposes. I get a loss of timber when I import the raw material, not only what is taken off by planing and sawing, but when the timber is imported it is generally split on the ends, and that portion is wasted. A lot of the timber is thrown away or burnt, whereas the imported material is only the actual manufactured article, where all the loss is already taken off. I have seen furniture imported into this town "knocked down" from America—each loose piece packed close together in a small case—whereas if that same timber were imported in the raw state it would be at least one-half more weight and space in the shipment. Our difficulty here is we have to compete with the imported article, and at that rate we cannot; and the merchants here will not sell Colonial articles unless they can get them cheaper from the local manufacturer than they can import them at.

4427. Is there any other point?—I think these are my principal views—that we would require at the very least a difference between the raw and manufactured material of 20 per cent. on the rate.

4428. What have you now?—15 per cent. from America and 12 per cent. British.

4429. You want an additional 5 per cent. Do you think that would protect you?—A difference at the least of 20 per cent.

4430. *Mr. Scott.*] Are you principally engaged in the carpentry and building trade?—I am a manufacturer of building material, and also furniture. I used to be a builder, but am now only carrying on the manufacture of building material.

4431. One of your grievances is that you lose so much in the manufacture of your goods?—Yes, and have to compete in regard to freight and carriage to bring the raw material here, whereas the imported, ready-made stuff has the waste already taken off.

4432. You said, I think, that about a third goes off in waste?—In a good many cases.

4433. That means a difference of from 30 per cent. to 50 per cent. on the railway carriage against you?—I reckon about 30 per cent. against me.

4434. I thought you said in furniture it amounted to nearly 50 per cent.?—No; it costs £37 where, if imported ready-made, the carriage would only have been £23 or £24.

4435. Does much of this moulding come in?—There has been a lot, but it is easing down a little, and a few merchants in town are supporting me and buying my stuff.

4436. Do they buy the class of goods illustrated in this diagram?—Yes. This class of goods is also imported.

4437. If you produced these in larger quantities could you reduce the price to the merchants?—Of course, the price would be very much lower by making them in larger quantities, but the difficulty is that the people buy from the merchants and never come near the manufacturer.

4438. You would be able to keep your factory running to better advantage, I suppose?—Yes, and keep more people in employment.

4439. Have you any apprentices to the trade?—At present a few. There is nothing doing. If all that was required in this town and district were made here I should at least have to double my number of men to carry out the supply.

4440. Is the imported furniture high class?—No, more the cheap class. We can pretty well compete in the high-class furniture, but not with the cheap goods.

4441. Could you describe the articles—cheap bedroom furniture or what?—In all lines there is expensive and cheap furniture. The particular line I alluded to was American roll-top desks. They have them out knocked down—flat.

4442. And they are put together here?—Yes. They are already cut out and dovetailed, and have to be put together.

4443. Are they put together by skilled labour?—It is done by unskilled labour. Anyone can put them together.

4444. You, as a manufacturer, are working at a disadvantage on account of the articles coming in already to be put together. Is that your grievance?—Yes.

4445. *Mr. Pyott.*] What would be the value of the consignment you paid £37 11s. 6d. carriage on?—£300; that is, in the rough.

4446. *Mr. Harlow.*] You say you have a few men working for you?—Yes, but not many. I have ten employees at present.

4447. Do you think the last Customs Tariff did anything towards giving an impetus to your business?—A little, because it was a little better than it used to be.

4448. You suggest 20 per cent. should be put on over and above the cost of wood on manufactured articles?—That is my view, at the least. More would be better, but I am not a high protectionist, and only want to be able to compete with Home manufacturers.

4449. You think you could compete?—Yes.

4450. In the event of the duty being put on, how long would you like it to remain on?—I am in favour of the Customs Union altogether.

4451. *Mr. Tod.*] Three or five or ten years? How long should the agreement last?—That is a matter I have not considered before.

4452. You would naturally like it more for a long time than a short time?—If favourable, certainly.

4453. *Mr. Harlow.*] Would you not like it to remain five or seven years, so that you would know where you were working, and if it were not favourable to you, would know what to do?—If it were fixed unfavourably for five or ten years we should simply have to wait till it expired.

4454. You do not wish to express an opinion as to how long it should continue?—I have not considered the point, but if favourable would like to see it last longer.

4455. Suppose you had a favourable tariff?—If it ran for five or ten years it would be all the better.

4456. Do you think it would raise the cost to the consumer?—Not in my case. It would only keep the labour here. I would still supply my goods at the same rate as now, but I would have a bigger sale and larger turnover, and could keep more men employed.

4457. *Mr. Kayser.*] You say if the duty were increased it would not raise your price?—No.

4458. Would it raise the price of the imported article?—It would keep the imported article out more.

4459. Why are you not selling your goods to-day?—Because I cannot sell much under the merchant.

4460. Can you sell at the same price?—I still sell under the imported article, but cannot sell much under that, and the merchants think they have not the same profit on my article as on the imported, and so they still import.

4461. The merchant does not buy the goods, but the consumer?—I am giving the merchants a fair profit now.

4462. If a man can buy cheaper Colonial-made goods from you will he buy an imported article from a merchant?—The country people go to the merchant, and will not come to the manufacturer.

4463. Do you know why?—Because they think they can get it quicker.

4464. They want immediate delivery?—Yes.

4465. You cannot deliver at once?—Not always.

4466. You have not sufficient confidence in your own goods to keep a fair stock?—I keep a stock, but sometimes run out of a certain article.

4467. You ask for a difference in duty of an additional 8 per cent.—that is 20 per cent. difference really?—Yes.

4468. To-day you have 12 per cent. and you want 8 per cent. more?—Yes.

4469. Could you compete, with an additional duty, say, on roll-top desks of 8 per cent.?—I believe I could.

4470. As against the imported article?—Yes.

4471. You have not tried?—No.

4472. Do you use Colonial wood?—If I can get it, but in a great many cases I cannot.

4473. Do you use any?—Some.

4474. What?—Stinkwood and yellow wood, but in many cases we cannot use the Colonial wood for the purpose.

4475. It is necessary for you to get imported wood?—Yes.

4476. Will you tell me what the difference is between the rate of freight on the rough timber and on the manufactured article?—I cannot tell you that now.

4477. Is there any difference?—I cannot say.

4478. You have not calculated that there is a difference?—No.

4479. In making this statement to-day you have not calculated that?—No.

4480. You take it for granted the freight is the same?—There may be a little difference, but I do not think it is much.

4481. What do you call a little difference?—That is a question I have not considered. In rail carriage it would be exactly the same, because the manufactured article would come under the same price, with the exception of furniture, which is at a higher rate.

4482. Is it not a fact that rough timber goes at a special rate by our railways?—Not here. It costs 9d.

4483. We have to consider the general interests of the country, and not the particular interests of King William's Town. As a matter of fact, our railway tariff provides that rough timber—say deals—goes at a lower rate than prepared boards: is that not so?—Not here.

4484. You do not know that it is not so on the other lines?—No.

4485. You made a point which I think might be well worth bringing out a little more. You mentioned the disabilities you were under compared with the coast manufacturers. The manufacturer at the coast has not the rail freight on the waste because his has been prepared?—Yes.

4486. Can he therefore sell goods cheaper than you in King William's Town—say the manufacturer at East London?—He can.

4487. Because?—Because he does not pay the carriage on the waste and has that advantage over me.

4488. Does he get a lower rate on Colonial manufactured goods from East London?—He does.

4489. He gets that advantage in addition?—Yes.

4490. Do you think this preferential rate on Colonial manufactures should be continued?—I am not in favour of that.

4491. You would rather any protection you got should be at the coast by way of Customs duty?—Yes.

4492. And the reason is that you would not be able to compete because of the reasons you give?—Yes.

4493. With regard to this lot of timber you say you paid £37 11s. 6d. carriage on, which would have been £23 or £24 if it had been manufactured, that is simply because the rate to King William's Town for rough timber is the same as for the manufactured goods?—Yes.

4494. Of course you have been very reasonable in your demands in asking for a difference of 20 per cent. on your goods. Is this particular line in the diagram you have produced used in any considerable quantity?—Yes.

4495. Is there much breakage on the imported article?—No.

4496. You have not allowed for any?—There is very little. Before I manufactured myself I imported any amount. It is packed so close together that it cannot break.

4497. You have not made any allowance for breakage or transit risk?—I think we have the same breakage on raw material as on that.

4498. Probably more?—Yes.

4499. Probably the percentage would be more, because your wood costs you more?—Yes, because it comes out unprotected, and the other comes out protected.

4500. *Mr. Scott.*] You told us you used a good deal of Colonial timber, and I would like to know if you have any arrangements for drying the timber. Do you dry your timber taken from the forests here?—No.

4501. Do you know if they are planting suitable timber in the forests here?—For manufacturing here?

4501a. Yes?—For certain articles, but not for all. There is none suitable for mouldings. It has been tried with yellow wood, but it is not a success. After it is prepared it warps. Therefore imported timber must be used.

4502. You do not know much about the afforestation of the country—pine planting?—It will be another twenty years before we can expect anything out of pine planting here.

Candle Making.

Fritz Ginsberg, Soap and Candle Manufacturer, examined:

4503. *Chairman.*] You are here to give evidence on the soap and candle-making industry?—Yes.

4504. Will you state to the Commission what proposals you have to make in reference to the Customs Tariff?—As to direct alteration, I think, in the first instance, that the duty on candles should be a little bit higher. At present it is 5s. on foreign and 4s. 2d. on British. Practically, only the British rate comes into consideration, because the Continental manufacturers are giving a corresponding rebate. I have a price list here from a Continental firm of candle-makers with a slip attached: "Rebate of Duties.—In view of the South African Customs Union, we now allow a special rebate of 10d. per 100 lbs. off our price list as the equivalent of the Preferential Duty against candles not manufactured in Great Britain." Therefore, for protective purposes only the British rate of 4s. 2d. comes into consideration. I would propose that the future duty should be 1d. a pound. There has always been a talk of having the protection through the Customs and not through the railway rates. Most of the protection of the railway rates has been taken away from us, because in the through traffic, on to the other Administrations, we pay the same as the imported goods. All the Chambers of Commerce have strongly agitated that the rates be equalised, and it may happen in time, but the railway rates may be taken off and we shall have received no increased protection through the Customs. That is the principal reason why I think the duty should be raised at least 1d. a pound. You remember that it was formerly 2d.

4505. The railway question will be settled before the Customs Tariff is framed?—We understand they are always taken in conjunction. At the last Conference, for instance, they did a thing which I am sure had not been anticipated with regard to candles. They gave us an increased protection on candles. They raised it from ¼d. to ½d., but at the same time they reduced the through rates on imported candles and took away our preferential rate. That was to meet the Transvaal. The reduction on the imported rate was exactly the same amount as the increase of the duty, so that the result was imported candles could be laid down at Johannesburg at exactly the same figure as before under the old tariff. Of course that was intended. Our price consequently had to remain the same as before, because our prices depended on the price of the imported articles. On the other hand, we had to pay the higher *ad valorem* duty on materials and higher railway rates, so that, in spite of the extra duty, we were in a worse position than before. I imagine it was an oversight, but it is one of the things the delegates should not lose sight of.

4506. What materials do you import for candles that you pay duty on?—Mostly packing materials. This brings me to two specific Clauses I would like to suggest being altered. One is Clause 65—bookbinders' requisites. It says that bookbinders' requisites, such as cardboard, stitching wire, etc., comes in at a 3 per cent. duty. We are making our own cardboard boxes here, and are using practically the same materials as the bookbinders, for instance, stitching wire. We have to pay duty on stitching wire; whilst the bookbinder gets it at 3 per cent., we have to pay 15 per cent. That could be altered to read, "Bookbinders' requisites and materials for cardboard box making." It is practically the same trade, but as it is we have to pay the duty on the articles which come in free when imported by the bookbinders. As a matter of fact, we have helped the local bookbinders out of a difficulty when they have been short, by giving them some of our wire. Regarding Clause 103, it says, "Certain papers, exclusive of wrapping and tissue paper." I do not see why wrapping and tissue paper should not be admitted free—for packing and wrapping candles. We are getting them in big sheets and cutting them down here. We have to pay duty on them now.

4507. *Mr. Tod.*] Are not the papers printed on in some way?—No printing whatever.

4508. *Chairman.*] How are you to guard against fraud?—Say for industrial purposes. You know who imports it.

4509. We have it on evidence that this kind of thing comes in duty free in Port Elizabeth and sold to other people. The Customs cannot guard against that? —You might make a similar provision as with printing paper, that the sheets must be of a certain size. In regard to printing paper you say the sheets must be of a certain size to be admitted free of duty. It is immaterial to us what size we import, because we do our own cutting. It seems unfair that we should have to pay duty on that material and for printing purposes it is admitted free. Then in regard to soap, I would suggest an alteration for the same reason—the danger of the preferential railage being removed. It might be as well to raise the duty on soap a little. If we had a guarantee that the preferential rate would remain in force we would be quite satisfied with the present duty, but there is no such guarantee.

4510. *Mr. Tod.*] What is the present duty?—4s. 2d. or 25 per cent., whichever is the higher.

4511. How much a pound is that?—½d. If it were ¾d. a pound it would not affect the selling price, because there are nine soap manufactories in the Customs Union, and they would do their best to keep the price down to its proper level. The higher duty would not affect the selling price on account of the competition. On the other hand, it would give us a better chance against the imported article, because it gives a wider margin. At the present time a good many people do not consider a difference of ½d. a packet candles is good enough to cause them to take the Colonial article as against the imported. They say the difference is nothing. If the duty were a little bit higher it would be an inducement to take the Colonial article. The same remark applies to soap.

4512. What increase do you propose on soap?—Say 6s. 3d. or 25 per cent., instead of the present 4s. 2d.: that is ¾d. a pound. Of the specific Clauses affecting the soap industry there is Clause 159, which admits duty free certain classes of vegetable oils, "Oils: palm, palm kernel, cotton seed, in bulk." There are some omissions; for instance, this does not include cocoanut oil, which is an important article for soap making.

The Secretary: The Natal Authorities would not hear of its being in. It is an article largely used by the Indians, and they wanted a tax on it.

Witness: Could it not state, "In bulk for soap-making?" You have a precedent in the bookbinders' requisites. The same thing applies to soap-making. If it could be made to read, "Oils: Vegetable and animal, in bulk for soap-making." New varieties of oil are constantly being placed on the market, and when the articles are specially named in the tariff we are absolutely precluded from using the new ones.

4513. *Mr. Scott.*] What is the difference between cocoanut oil and palm kernel? —It is a different product. It is a different kind of palm, and besides, it is a nut. It comes from different countries—mostly from West Africa—whereas the cocoanut oil is mostly from the Indian and Australian and Pacific Oceans. Then there is Clause 170, tallow duty free. I would suggest that it includes, "and similar fats"; for instance, bone grease, which is being largely used for soap-making purposes. We can get tallow in duty free, but bone grease, which is very inferior, although it is useful for certain purposes, bears duty.

4514. *Mr. Tod.*] What is that?—A fat extracted from bones. It is not exactly tallow. The Customs might pass it as tallow, but it is not that. If it read, "tallow and similar fats," that would meet the case. May I make some suggestions about railway rates?

4514a. Yes.—They are only minor things, but little things help. On the through traffic the minimum rate of 10s. per consignment fixed by the C.S.A.R. goes distinctly against the Colonial manufacturer, because many of the shopkeepers —the small ones particularly—cannot take sufficient of any one article to cover that minimum railage, and the result is the orders go to the coast merchants for the goods to be sent up with other stuff, and in a great many cases the imported article is substituted for the Colonial. Some shopkeepers put their pride in getting the goods direct from the manufacturer and are prevented by the minimum rate of 10s. per consignment. Formerly it was 8s., but it was raised to 10s.; 8s. was already pretty high. 10s. goes against the small man, because he cannot take any one article in sufficient quantity to cover that minimum rate.

4515. *Chairman.*] It is a very small matter?—Yes, but if you have many of these it amounts to something. Then with regard to the rates on tallow within the Cape Colony. Cape Colony tallow is at present carried at the third class rate. We have repeatedly approached the Commissioner as to whether it could not be classed at a lower tariff—say Class C—but we have been unsuccessful. In connection with this, I might say that in South Africa most of the Colonial tallow is packed in paraffine tins. That is a very costly process, and it is wasteful. On the other hand, we would undertake to supply the producers with empty oil casks, which they could fill with tallow, if these empty casks could be carried at a low rate or free. Empty butter and butterine and meat cases are being sent free for refilling. At the present time we are buying up as much tallow as we can get hold of, but in some districts the carriage is against us; that is so the further we come down to the Western Province. We get the tallow round from Cape Town by steamer, because it is cheaper than by rail, and the Cape Government Railways are therefore losing that traffic. This is a most important point. It not only effects us, but the farmer too, because a good many farmers have small quantities. Many farmers have 100 or 150 lb. of tallow, which they could send away perhaps, and if it cannot be sent at a low rate it is practically being wasted.

4516. It is now Third Class rate?—Yes, and we propose Class C rate, and empty packages for filling to be returned free or at a nominal rate. Another point in connection with the Customs Union—I do not know whether the Commission has any voice in this matter—is about Rhodesia. Rhodesia nominally belongs to the Customs Union, but they have a tariff of their own.

4517. We cannot alter that?—I only wished to mention it. It is a very funny position. I have recently seen a circular issued by the Agricultural Co-operation Department, asking whether something could not be done to increase the import into Rhodesia of Colonial manufactures. The reason is that in candles, as well as soap, we have no protection in Rhodesia, because imported stuff is admitted free and there is no preference in the railway rates, and consequently we are unable to compete there.

4518. It comes under the Charter?—The market there is practically closed to us. We have tried repeatedly and cannot compete; it is impossible for us. The next remark I wish to make is regarding a resolution of the King William's Town Chamber of Commerce about stability in the Tariff—that the next Tariff should be for at least five years. It is hardly necessary to make further remarks on that. Everyone knows what it means if every two years we have to be prepared to a new Tariff; it simply unsettles everything. The last point is whether, when the new duties are decided upon, it would not be advisable, instead of keeping that secrecy about it, to give some notice about the intended alterations. I remember at the Customs Conference a few years ago the duty on certain materials was taken off. Large stocks were on hand here. We had large stocks of soap and candle material. By the taking off of the duty that stock was considerably depreciated in value immediately.

4519. You know, unless there were legislation to prevent it, everyone under those circumstances would lay in a stock for the next twelve months?—Everyone is one the same footing. You have already done the same thing at the last Convention with iron and timber, and if it works with that why not with other articles?

4519a. Yes; three months' notice was given with certain articles?—Those are the main points. Then there is the system of bonuses. We are not in favour of those. We would rather have a good protection in the country through the Customs and an open market everywhere.

4520. *Mr. Harlow.*] You suggest that the duty should be $\frac{3}{4}$d. a pound on candles?—1d. a pound.

4521. Would not that raise the cost to the consumer?—No. There are six candle factories in South Africa within the Union, and competition in that trade is now extremely keen.

4522. What kind of Colonial produce do you use in the manufacture of candles?—Comparatively little. Stearine could be produced locally if sufficient tallow could be obtained.

4523. You are at a disadvantage in obtaining tallow?—We could do with ten times the quantity of tallow if we could get it, and would be prepared to take it.

4524. You mentioned being at a disadvantage with printers in bringing your paper in?—With stitching wire for cardboard boxes I said. I mentioned incidentally that I did not see why tissue paper should be excluded as against printing paper.

4525. If you procured it from a British manufacturer it would come in duty free, would it not?—Yes, under the 3 per cent. or duty free, but we now have to pay 15 per cent.

4526. It is in Class 4—3 per cent. duties?—Yes, but we have to pay 15 per cent. *ad valorem* rate at present.

4527. In reference to soap, you propose a duty of ¾d. per pound?—Yes, or 25 per cent.

4528. Would not that increase the cost to the consumer?—There are nine soap factories in this country, scattered pretty well all over the country, and we have to meet their competition everywhere; everyone is anxious to do business.

4529. In reference to the publication of the deliberations of the Conference, do you not think that would tender to corner the materials?—That is a point merely suggested for consideration, because it was a distinct hardship in the instance I mentioned; all of a sudden, without notice being given, our stocks on hand were depreciated to an enormous extent.

4530. You made a point in reference to the minimum rate of 10s., saying that it was an injustice to the small man. What do you mean by a small man?—There is a small shopkeeper who wants, say, five boxes of candles. If we quote the price for those, delivered there, the 10s. minimum would amount to 2s. per box, which of course is simply impossible; it puts him out of competition altogether. The result is that in these orders, in some cases, we would have to tell the man we could not execute them, and some people would take offence. The other point is that orders are being sent along to come with other goods. Perhaps the merchant at the coast does not stock that particular line, or is out of it, and the imported article is substituted for the Colonial.

4531. Do I understand that you deal with the small shopkeepers, instead of their dealing through the merchants?—We are doing both; there is always this risk.

4532. You are not in favour of the bonus system?—No.

4533. Why?—I do not think it would work properly. There would be a lot of Government inspection and interference, and it would not work. Besides, there is always the difficulty of what basis you allow the bonus on.

4534. That would be for the Convention to decide. You state emphatically you are not in favour of it?—Yes.

4535. Do you think in the event of the duties being withdrawn from these various manufactures of yours you could continue to manufacture?—We could not, because we have to sell so much cheaper than the imported articles are being landed at. There is this prejudice, and we cannot go against it.

4536. Do you find a decided prejudice against Colonial manufactures?—Yes, and worse than that; if people compare the articles they compare our best articles with the worst imported ones.

4537. What labour do you use?—White and natives.

4538. In what proportion is your white?—At the present time—this is our quiet season—it is 25 whites against 40 natives.

4539. What rate of wages do you pay your white men?—That depends, of course, on the class of work. The full grown white men are making about £3 a week on an average.

4540. Would you be prepared to allow the Commission to see over your factory?—We would only be too pleased.

4541. *Mr. Pyott.*] Could you tell us what is the difference on rates on your goods versus the imported to the Kimberley market?—Second Class against Third Class; about 4s a hundred is the difference.

4542. That is practically ½d. a pound?—Yes.

4543. You are making a suggestion, I understand, to raise the duty on candles to cover that, in case it is taken away. Is that your point?—Yes.

4544. If the railway rates are continued as they are at the present moment you do not want an increased duty?—It would help us even then to have the higher duty, because it makes the difference against the imported articles a little higher. Imported candles are being sold in Kimberley at 9d. a packet. This brings in the matter of the currency there. In Kimberley they have no pennies, and it is all "tickies," and consequently the Colonial candle has to be retailed at 6d. The consumer will not pay the same price for Colonial candles, and the nearest lower currency below 9d. is 6d. The result is that the shopkeeper makes very little profit on our goods, and we cannot go up in accordance with the market for raw material, because the shopkeeper cannot get 9d. for our candles.

4545. Do you mean that English candles in Kimberley to-day fetch 50 per cent. more than yours?—Yes, on account of the currency, because they have no coppers. The retail price jumps from 6d. to 9d. It is different at the coast towns, of course, where they have coppers.

4546. *Mr. Tod.*] If you bought three packets at 8d. that would be 2s.?—Yes.

4547. *Mr. Pyott.*] Supposing a person is dealing by the month, surely he does not pay 9d. for candles?—That is what the shopkeepers tell us is their difficulty; there is nothing between 6d. and 9d. in Kimberley.

4548 What is the rate between King William's Town and Johannesburg for the Colonial as compared with the imported article?—Exactly the same; there is no preference on candles and soaps.

4549. You mentioned packing materials. It is only on the packing materials you pay the duty?—For candles, not for soap. For soap there are a good many articles we pay duty on.

4550. You do not make any suggestion about reducing that?—I made the one suggestion about wrapping and tissue paper.

4551. For instance, box wood and so forth?—It increases our cost, of course.

4552. You admit it cannot be done in the Colony?--No one does it in this part of the Colony. I know it is being done in Cape Colony. I do not press that point, because we have to live and let live.

4552a. Does the duty on stitching wire amount to much?—It is a small item, and is more on account of principle.

4553. It is a matter you do not press?—As a matter of principle I do, because it is unfair that the same article when imported by the bookbinders comes in free, whilst if we import we have to pay duty.

4554. You want to be on the same footing?—It is practically the same trade—cardboard box making—but there is a distinction made between us.

4555. Your suggestion to increase the duty on soap by ¼d. a pound is simply in case they increase the railway rates?—Yes.

4556. Otherwise you do not want it done?—If we had a guarantee of the same railway rates as now would be satisfied.

4557. You feel the protection to-day is sufficient to enable you to manufacture as against the imported article?--Yes, but not without the preferential railway rate.

4558. Your internal competition keeps the market down?—Yes.

4559. Would you rather see the preferential railway rate abolished, provided you got sufficient protection at the coast?—That is simply a matter of calculation and nothing else.

4560. I would like you to answer, yes or no?—I am rather in favour of leaving them as they are.

4561. You made a suggestion with regard to cocoanut oil?—Not only cocoanut oil, but vegetable and animal oils in bulk for soap-making.

4562. Is that a large percentage of your raw material?—It depends on the Customs Tariff; we have to adapt the raw materials we are importing according to the Customs Tariff. There are several raw materials we cannot use here because the Tariff is against us. We would use more cocoanut oil if we could get it free, but at present are displacing it by a combination of other fats, because cocoanut oil pays a high duty.

4563. Would it displace the Colonial tallow you are getting to-day?—No. As a matter of fact, as I mentioned, we are only getting about 20 per cent. of our requirements of Colonial tallow.

4564. You will buy all over the country?--We go as far as Kimberley and Cape Town—everywhere. We buy it all up, and could use ten times the quantity if we could only get it.

4565. You mentioned that you are receiving the tallow in paraffine tins, and that it is very expensive?—Yes.

4566. In what way?—Because in some places the people have to buy the paraffine tins and pay 1d. a tin or even more.

4567. Is that very expensive compared with the barrel?—We are getting barrels here with our importations of other fats and, being oil barrels, they are useless for any other purpose here, and we cannot get rid of them. They are waste material. We could utilise them, however, for having the Colonial tallow put in them. That is my point.

4568. What is the weight of an empty oil barrel?—On an average, say 50 lb.

4569. Do you not think you are paying more on the barrel weighing 50 lb. than on the paraffine tin weighing 2 lb., or have you never looked at it from that point of view?—There is the cost of the tin and the risk of loss in transit. When you get a consignment of fifty or a hundred paraffine tins, with the lids open—particularly in hot weather—there is always considerable wastage.

4570. Do you want to press that point of having your barrels carried free, the same as butter boxes?—Why not?

4571. It is a question of revenue?—If we cannot get them carried free or at a nominal rate, we shall have to leave it alone.

4572. Have you taken into consideration the weight of the tins and the weight of the barrel?—It is about the same.

4573. It is a small matter; do you want to press it?—It is not a small matter, in so far as it is to develop the tallow trade.

4574. Have you any objection to telling the Commission what you pay for Colonial tallow?—At the present time we pay a price, delivered here, of something like £30 or £31.

4575. £31 a ton of 2,000 lbs.?—Yes. Of course, it depends on the quality, but that is the average price.

4576. *Mr. Scott.*] Are you affected by the dumping of oversea candles at King William's Town?—Not here, but at other places we are, most decidedly. Only the other day I had a report from Port Elizabeth that a certain kind of imported candles were being sold there, and I did not know how they could possibly do it; it puzzled me.

4577. Is there any difference in the weight of candles?—No; it is the same; I have seen those candles.

4578. Do you sell nett or gross weight?—Just as people want it.

4579. You are not affected by the oversea candle that comes in at gross weight?—No. That is simply a question of calculation—of price. Of course, the duty is reckoned on the reputed weight; 16 ounce gross candles being charged as 16 oz. nett.

4580. With regard to the cardboard for your boxes, I understand the cardboard for other purposes comes in free or at a duty of 3 per cent., whereas you have to pay duty on your cardboard cut into small size—say 11 x 10?—We do not import such small sizes. We import in large sheets, and do our own box making and printing here. We have box-making, folding and printing machines.

4581. Do you have to pay 15 per cent. on that?—Formerly, but ultimately the Customs classified it as bookbinders' material, and now we get it at 3 per cent.

4582. There is no grievance there?—Not as regards the cardboard.

4583. Do I understand you want 1d. a pound, in addition to the ¼d. you have already got on candles?—Now it is ½d., and we want 1d. in place of the ½d.—not in addition.

4584. With regard to your empty cases, you made a suggestion that these might be carried free over the railway to be refilled?—Empty casks, yes.

4585. Might you not get a collapsible barrel for that purpose?—I do not know of one having been invented, but apart from that the point to be considered is that we have the accumulation of empty casks.

4586. *Mr. Tod.*] I want to refer to the question of preferential railway rates. You know there is considerable agitation in the inland Colonies, especially by manufacturers, to have that done away with?—That is why we would like to be safe with the Customs duties.

4587. This what I want to get from you: Are you not satisfied, as a manufacturer, if you get the protection through the Customs?—It is immaterial to us where we get the protection.

4588. As long as you get protection to compete against the imported article you are prepared to take it through the Customs, even if the preferential railway rates are taken off?—Yes.

4589. You do not ask for more than 1d. a pound even if the preferential railway rates are taken off?—No; that would cover it.

4590. *Dr. Viljoen.*] Could you give us, approximately, the proportion of Colonial ingredients in the manufacture of candles, for instance?—As I said, there might be more if you could get the suitable material, but at the present time it is practically all imported.

4591. Does that apply to soap too?—No; we are using large quantities of Colonial tallow.

4592. What is the percentage of Colonial ingredients in the manufacture of soap?—At the present time about one to three.

4593. That is 33⅓ per cent.?—Yes. That is all round; I mean to say that in certain kinds of soaps the proportion of Colonial ingredients varies, but taking the whole output that is about the output at the present time. We are doing our best to get more Colonial tallow; we are unable at present to get sufficient. There is practically no limit to the use of Colonial tallow in soap-making. The more we can get the more we can use.

4594. Is there a soap trust?—Not in this country.

4595. Nor a candle trust?—No.

4596. Of course you are aware that there are trusts in this country?—Yes.

4597. Is there a risk of the soap trade being involved in the Trusts also?—I think it is out of the question altogether, because soap-making can be done in a very small way; any practical soap-maker can set up with a pot, practically, and start soap making. It is the same with candles. No elaborate machinery is required for these things.

4598. A large quantity of your candles is used in the mines, I suppose?—No; we are mostly doing the household trade.

4599. Is your candle as good as the imported?—Some kinds are as good as the best imported. Then there are some candles being imported which are of a much lower grade than any candle we are making, but the public do not consider that.

4600. Has the price of candles been materially affected during late years?—Yes, it has dropped considerably.

4601. Can you assign any reason for that?—Partly market fluctuations and then increased competition. At the present time, prices are kept very low through competition. There is such strong competition in the candle-making trade that we cannot go with the rise in the market for raw materials this season. At the present time candle making is unprofitable.

4602. Are you using berry-wax in your factory?—We are making experiments with it; we have a small quantity now. We can use it, but the difficulty is we cannot get it in quantities, the price of it is too high. We have been asked 4d. a pound in Cape Town.

4603. That is £33 a ton?—Yes. We have been in correspondence with the Agricultural Department about this berry-wax. We could use it, but it is a question of the price and the quantities to be obtained. We had difficulty in getting even a small trial consignment; we could not get it from anybody.

4604. There is a candle factory in Natal?—Yes.

4605. Are they seriously competing with you?—They have only started about six months ago, and are already serious competitors.

4606. Why?—They are a strong company with plenty of money at their back.

4607. Is that the only reason?—Yes.

4608. Is it not due to coal and labour being cheaper?—I do not think that would account for very much.

4609. In your experience is there not a danger of the industries drifting to the places where coal and labour are cheapest?—Labour is pretty cheap in this district, and as regards coal it is not a very big item for our industries.

4610. You always employed coloured labour, I suppose?—And white labour. I believe white labour is cheaper here than in the big coast towns.

4611. Cheaper than in large towns?—Yes.

4612. And coloured labour is also cheaper?—Yes. It is not very efficient, but the rate of pay per day or week is lower than in the coast towns.

4613. Are you aware a cargo of candles has lately been landed at East London from Natal?—I know they had some coming.

4614. Do you know that these candles were sold at a price cheaper than the Cape Colony candles? I will not say cheaper than yours?—It may be; I am not sure on the point.

4615. Is that not a danger to your industry?—It is, of course. Of course, another thing is that in Natal they have a limited market, and have to get rid of their surplus quantities elsewhere, and we cannot do the same thing because there is no market for us in Natal.

4616. There is a danger that Natal will cut you out?—Yes, because they have no market of their own.

4617. Will you kindly tell us the average number of white men you employ in your factory?—25 white people—male and female—and 40 natives at the present time. That is the total number; I took this from the wages book last week.

4618. Are they Colonial natives?—Yes.

4619. You do not employ Indians here?—No; only Kafirs from the district.

4620. *Mr. Kayser.*] What do you mean by a cargo of candles?—I suppose Dr. Viljoen meant an ordinary consignment—not a ship full.

4621. Is there a difference between a cargo and a consignment?—Generally, from the commercial point of view. A consignment is anything from fifty boxes upwards.

4622. And a cargo would be a million boxes, perhaps?—Possibly, but probably a little less.

4623. You said Natal would cut you out—of what market?—The Colonial market. I did not say they would, but they are trying to.

4624. You said it was probable they would?—We feel competent to hold our own, but that is our main risk.

4625. They would cut you out in your own market?—Yes.

4626. What market do you mean?—Cape Colony generally.

4627. Notwithstanding the railage, they might cut you out?—They have the same preferential railway rate.

4628. How many miles are they from the market? Can Natal cut you out in Kimberley?—They ship to Port Elizabeth, and from there have to pay the same rates as we.

4629. Cannot you compete with them when they have to pay the freight?—Yes. I feel we can hold our own, but at the same time they are doing their best to displace us, and occasionally might succeed. They are a very powerful company, and might sell for several years without a profit.

4630. Do you send any candles to Johannesburg?—Yes.

4631. Is Natal in competition with you there?—At the present time they are sending candles from Natal.

4632. So there would be a possibility there?—Yes. We are both on the same footing as far as Johannesburg is concerned.

4633. Surely there would not be a danger where the railway rates are in your favour?—Not unless they sell at a loss, which possibly they may have done.

4634. Have you done a good business in candles and soap?—Yes.

4635. Has it increased since the Tariff?—Yes, but not because of the Tariff—it is because of other reasons.

4636. You said to Mr. Harlow that the price of candles would not be increased if the duty were raised?—Yes.

4637. Can you explain that?—The competition from Natal, for instance.

4638. If the duty on English candles were increased, would not the price of English candles be increased?—Yes.

4639. Is not your price based on the competition?—On the Colonial competition.

4640. Your price is not fixed on the basis of the oversea competition?—No, the Colonial.

4641. Why do you ask for more protection?—Because it would make matters better for us.

4642. You made a point that the price would not be increased, and you say your price is not affected by the price of the English article?—It is to some extent.

4643. If it is affected by the price of the English article would not your price be liable to be increased if the duty were increased?—No, because we have as a safety valve the internal competition.

4644. That exists to-day?—Yes. I mean that the internal competition would prevent our raising our price.

4645. If the duty were increased on imported candles, would it not give you an opportunity of increasing your price by the amount of the extra duty?—Not as long as the internal competition exists.

4646. Would the fact of the imported article being ½d. dearer give you an opportunity of charging ½d. more for your candles?—No, because of the competition.

4647. You say you are competing with the imported article. In competition with the imported article, if the imported article were increased ½d. a pound would it not give you an opportunity of increasing your price?—No. You could not, because of the internal competition; the other fellows would come in at once. If we saw the English factories were raising their price by ½d. it would give us a better chance of coming in.

4648. You have no objection to the preferential railway rates being done away with?—Not if we have the protection at the ports.

4649. That would be sufficient?—Yes.

4650. The only market where you do not have preference is the Transvaal?—And the O.R.C. and Rhodesia—all the markets except Cape Colony.

4651. For your own market you have the railway preference?—Yes.

4652. You said you wanted certain small articles, which you specified, to come in free, provided they were for industrial purposes?—Yes.

4653. Would that not lead to a great deal of temptation to fraud?—That is a point, of course, for the advisers to the Commission to decide; it is purely a technical point.

4654. Would it not be a temptation to a manufacturer to sell those goods?—If a man wants to be dishonest he always has a chance.

4655. It is not dishonest to sell goods?—It would be dishonest to sell in that case.

4656. If it were specially arranged for the manufacturer only to get those goods?—You have it in the present tariff.

4657. I asked you a plain question; would it or would it not be a temptation?—Hardly, because these are such special lines, which are hardly required for other purposes. For instance, the packing paper which would come into consideration is blue candle paper. There is no sale in other ways for that.

4658. Would it be possible for anybody to import these goods free?—Not under such restrictions.

4659. With regard to the tallow, do you not think if there was a duty placed on imported tallow it would induce you to use more of the Colonial article?—We are already using all we can get hold of.

4660. You have been making a complaint that you want reductions on the Colonial tallow?—On the freight.

4661. If a duty were put on the imported article you would not require that?—The quantities we are getting would not cover our requirements. The concession we ask for would benefit the producers more than us.

4662. There is a factory in the Western Province?—Yes.

4663. Why do you want to draw your tallow from there?—There is a neutral zone; take Carnarvon and Prieska.

4664. Prieska is nearer to you?—Take Carnarvon; it is, so to say, a neutral zone. The producer would benefit far more by the concession than we.

4665. He would not require the protection of a duty on imported tallow?—That remains to be seen.

4666. Mr. Pyott brought out an important point about the tins. Your suggestion was to carry the casks free?—Yes.

4667. The saving would only be 1d. a tin?—Not only that, but the waste in transit.

4668. You pay for that. The State would bear the loss of carrying these casks free?—Yes.

4669. That would be still further protection?—Certainly it would be further protection.

4670. I did not quite understand you when you said the minimum rate was hard on the small shopkeeper. You said you quoted for delivery?—Yes.

4671. Therefore the minimum rate would not affect him?—In so far as we could not accept his orders or would have to increase our prices.

4672. As a matter of fact, it affects you more than the storekeeper?—Certainly it affects us.

4673. You were very clear that you would prefer a tariff for a minimum of five years?—At least.

4674. There is one other question, and I may say I agree with you in this; that is with regard to the alteration of the duties. You would be quite satisfied if the notice applied only to goods on which the duty was being reduced?—Yes. I do not want this notice in order to enable people to make extra profits by carrying shiploads of things, but to safeguard them in their buying arrangements.

4675. When the new Customs Convention is arranged you will be satisfied if sufficient time is allowed for people to dispose of their stocks on which the duty is to be reduced?—Quite so.

4676. You would be perfectly willing to pay the higher tariff, if there were any, from the date of shipment from the other side?—Yes.

4677. So that it would be absolutely fair to the Government and the importer?—Yes.

4678. Exactly the same as on the timber and iron?—Exactly the same.

4679. With regard to the candles in Kimberley, I confess I got rather a shock. You say the Colonial article is being sold at 6d. a packet and the imported article realises 9d.?—Yes.

4680. The consumer is ready to pay 50 per cent. more for the imported article?—He does not reckon it is 50 per cent.; it is 3d. to him.

4681. Does it not appeal to you, as a business man, that if the Colonial article is being sold at 6d. as against 9d. for an equal quality article, then there is ample protection?—Yes, but the public are not all business men.

4682. You said the reason is that there are no pennies in Kimberley?—Yes.

4683. Then the rétailer would get a very nice profit if he got 7½d. a packet?—Certainly.

4684. So that, even apart from any business reasons, there is a full difference of 1½d. a packet?—If you could sell with the pennies.

4685. Supposing he could?—Yes.

4686. Does it appeal to you what percentage that is?—I know exactly.

4687. That already you can sell the Colonial article in competition at 16 per cent. advantage?—Exactly. I quite see the point, but my argument is simply this, that the retailer says—on account of the currency there—that he cannot get more than 6d., and consequently does not make any profit.

4688. Apart from the question of the currency you could compete to advantage in Kimberley?—Yes; we are doing that.

4689. Why then ask for more protection?—For this reason, that in Kimberley it would make all the difference if the preferential railway rate were taken off; that is ½d.

4690. Do you think any duty can do away with prejudice? You say the people are prejudiced against the Colonial article, although, in your opinion, your article is equally good?—Yes.

4691. Supposing you put on a higher duty, would that do away with prejudice? —The difference in the price would do it. At present they say the difference of ½d. does not matter.

4692. Then why does not the difference of 3d. do it?—My point was this, that we are unable to raise our price to go with the market for raw materials on the one hand, and on the other hand the shopkeeper is not making any profit on our goods.

4693. Why would the ½d. help you?—Then the imported candle would be so much higher. It would be an inducement to the shopkeeper to sell the Colonial article, because he would make just as much, or a bigger profit than with the imported. At present he makes a tremendous profit on the imported and a very small profit on ours.

4694. The point is the imported article would be higher?—Yes.

4695. That was my question at first. You have just said you want the duty to enable you to raise the price of your Colonial article?—You misunderstood me.

4696. *Chairman.*] Is not the point this, that the shopkeeper in Kimberley can make a bigger profit out of imported candles and therefore sells them?—Yes.

4697. *Mr. Kayser.*] If that were the case, it appeals to me, as a business man, that I would start a small shop on my own and sell the Colonial candles against the Kimberley shopkeeper?—And lose all our customers.

4698. *Mr. Pyott.*] What candles do you make?—Paraffine and stearine.

4699. You said to Dr. Viljoen that you were not getting your raw material in this country?—We will eventually.

4700. Because stearine is made of tallow?—Yes.

4701. You will when there is sufficient stock in the country?—Yes.

4702. *Mr. Kayser.*] You have not sufficient fat to make soap at present?—No.

4703. Until you have sufficient to make soap you will not have a chance of getting it for candles?—No. It pays us better for soap.

4704. You suggested an increase of duty on soap of ¼d. a pound?—Yes.

4705. But you left the 25 per cent. as it was before?—Yes.

4706. That would mean the fancy soaps would really have a reduced duty?—Yes, sometimes, but the fancy soaps do not affect us; it is the household soap.

4707. *Chairman.*] What is your railway rate from here to Johannesburg in comparison with East London?—We are being charged East London rates; we are being charged port rates.

4708. Preference is given to all the ports in reference to railway rates as compared with the inland towns?—Yes, but King William's Town gets East London rates.

4709. *Mr. Pyott.*] But you have travelled 40 miles already?—Yes.

4710. *Chairman.*] Is not the tendency to drive all manufactures to the ports? —They are much better there than inland.

4711. *Mr. Kayser.*] King William's Town is at a disadvantage as compared with East London?—Yes.

4712. *Mr. Pyott.*] Only in regard to Johannesburg?—No.

4713. Do you pay the same rate to Kimberley as East London to Kimberley?—Yes.

Cart, Carriage and Wagon Building.

William Ririe, of Ririe Bros., and *William Grey Glennie*, Blacksmiths and Wagon Builders, examined:

4714. *Chairman.*] You wish to give evidence on wagon and cart making?—*Mr. Ririe.*] Yes.

4715. Will you state the points you wish to bring before the Commission?—There are not many things I wish to bring before you. There is one thing. I should like, when the new Customs Tariff is formed, bar and pig iron to be put on the free list. Bar iron is already on the free list, and I want it continued.

4716. No alteration on the present tariff?—No. It is on the free list, but it does not come in free when it comes from Belgium. With regard to the protection of industries, I think a tariff might be put on these little carts that are used by stores. It would have this effect. They come in at a very low price but are very inferior articles, and the effect would be that the user of the small carts would have to pay a little more, but he would get a far better article.

4717. *Mr. Pyott.*] More durable?—Yes. In our wagon making line we do not require so much protection, because with the large wagons, where you want a wagon to carry a big load, then the imported wagons are no consideration; they do not compete with us. A moderate tariff on these would suit us.

4718. *Mr. Tod.*] What would you call a moderate tariff?—What is it just now?

4719. It is 25 per cent.?—I think that is quite enough as far as wagons are concerned. I am not speaking for the carriage builders, because I am not a carriage builder. If it was the wish to encourage Colonial industries, I do think a tariff might be put on ploughs. Then you come on agriculture, of course. I mean it in this way. If you take the steel ploughs being imported now you will find that you could do the work here easily if you imported the materials. There is no intricate work—nothing but what any well-appointed shop can do here; and if the materials were imported, say, free and a small tariff—not much—put upon steel ploughs, they could be produced in this country. I am not saying this because I am interested in it, so much as because I realise that if the agricultural industry is to be developed we must make our agricultural implements, or a great many of them, on the spot. In our establishment we are able to repair, and it comes like this. An imported machine is broken. It comes for repair, and we have the pattern to make and everything to do about it, and that repair costs almost half the price of a new thing very often, whereas if the agricultural implements were made on the spot you would have the patterns. A pattern will often cost twenty times the price of the finished article. That applies very much to ploughs and other things; the pattern costs so much.

4720. Have you any other point?—No.

4721. *Dr. Viljoen.*] You have referred to agricultural implements. I understand you to say you are not an importer of these things. You are a builder and wagon maker?—We have a foundry, and do repairs.

4722. Do you know that a Parliamentary Committee sat during the last Session, which went thoroughly into the question of the making of agricultural implements in the Cape Colony?—Yes, with regard to manufacturing them in the railway shops.

4723. True. The original intention was to see what the railway workshops could do; but the Committee went further, and inquired how far these things could be made outside the railway shops. I understood you to say that you could get the material for a plough. What I understand you to mean by the "material" is all the parts?—No. If you look at a plough, there are two beams, made of steel, of a certain pattern. These beams could be imported in the piece by the merchants.

4724. Do you know a large number of these ploughs have proprietary rights attached to them—that they are protected by patent rights?—Quite so, but that does not prevent a person from making another plough if you do not infringe on the patent. You do not infringe on the patent by buying steel from the steel manufacturer.

4725. Of course, as long as you do not make a similar article?—I would like to explain that. So long as you import implements from another country you will never get an article to suit your own country, but as soon as you start manufacturing your own agricultural implements the makers and the farmers will soon find a way of making an implement perfectly suited to the country.

4726. It is a big question. Let us take a single farmer in the Western Province, with which I am more conversant that the East. A single man going in for mixed farming would perhaps require half-a-dozen different kinds of ploughs. He would require a plough for his vineyard, another for his hillside, and so on. He would require a plough for his potatoes. That is where you have mixed farming. Therefore it is no unusual thing for a farmer in the West to have six different kinds of ploughs. I went thoroughly into this subject. I sympathise with you, and I wish it could be done, but I am afraid you will find it will be very difficult?—You see if the material for making agricultural implements were put on the free list, and a small tariff—it need not be a large tariff, to begin with, at all events—were put on the agricultural implements it would give an impetus to the manufacture of implements in the Colony.

4727. If you put it in that way I agree with you. You mentioned you would like to see bar iron introduced free into this country?—Yes.

4728. It is free at present, except when coming from Belgium?—The preferential tariff is against that.

4729. Would you like to see that bar iron introduced into this Colony free?—As a matter of fact we get a great deal of Belgium steel.

4730. You would like to see your steel from Belgium coming into this country free?—Yes.

4731. Because you find it is better steel for that purpose?—Yes.

4732. You think bar iron and steel required for agricultural purposes—that is for making ploughs and harrows, and so on—should come in duty free?—Yes.

4733. *Mr. Tod.*] Would you cast the mould-boards of these ploughs in this country?—They are not cast. They are going out of date. They are steel plate, and all you require is a mould to make them with.

4734. Of course you know a tremendous number of the ploughs imported into the country are the American ones, known as "Seventy-fives"?—Yes.

4735. They are all cast?—Yes. We do cast things in our foundry, but I do not think it would be possible to put a tariff on cast iron—for casting things for ploughs. It would help me, certainly, but then you have not the material in the country. As yet, at any rate, we have no pig iron.

4736. Of course you know in New Zealand they manufacture nearly the whole of their agricultural implements?—Yes.

4737. Have they pig iron in New Zealand?—No. They have in Australia. But New Zealand is very different to this country; they are all white people.

4738. Do you think the agricultural implements are sold cheaper in South Africa than in New Zealand?—I do not know the price in New Zealand. I know they are better implements there than we have, because I have seen some.

4739. You think it would really be an advantage for the farmers in the country to have the agricultural implements made here?—I am certain of it.

4740. He would gain in this way that repairs would be more cheaply and effectually made, and also that the farmer could have a talk with the manufacturer, and together they could devise an implement suiting the particular requirements of the country?—Yes.

4741. You have not given any consideration as to what duty you advise should be put on?—No; I do not go as far as that. That is a question that is really beyond me.

4742. Still, you feel the matter should be considered, and a protective duty—not a prohibitive duty—should be tried, with a view of getting these articles manufactured in this Colony?—Quite so; and I think it would be better, if it were done, to make it tentative at first—not too large a duty—because it would be a grave thing to injure the farmer.

4743. Do you not think it would be wiser only to protect the simpler implements at first? You do not propose to manufacture such complicated machinery as reapers and binders in this country now?—No; only simple machinery. There are some windmills, for example, that are not all made in the Colony, but the greater part of them are.

4744. Owing, I suppose, to their superior excellence?—I fancy it must be a matter of price.

4745. You would not have the protective duty applied to all agricultural implements, but to simple implements?—Yes.

4746. Does the preferential railway rate affect you at all? Under the regulations the South African manufactured article can go over the railways at lower rates than similar articles imported from oversea?—Is that so? I can never get verandah castings over, for instance, except at the ordinary rate. The railways will not accept them except at the ordinary rate.

4747. Have you asked?—Yes. I have been fighting it for a long time. They say it is not defined in the Tariff Book and will not go. There is a vehicle rate, for example. Do you call that a preferential rate?

4748. Yes. I think you will find you can send a King William's Town manufactured wagon at a lower rate than one imported from America. Your wagon will be carried at a rate reduced by 20 per cent. The inland Colonies object to the preferential railway rate; and I want to get from you whether you would be in favour of doing away with that rate?—I would not be in favour of doing away with it.

4749. Not even if you got a corresponding increase in the Customs duty at the ports?—We would like to see the protection we are to get first. The thing is that I have always looked upon the railways as belonging to the Government and that they should be run for the good of the country, and I do think that anything which is for the good of the country—the manufacturer and the user—should be carried at as low a rate as possible.

4751. That does not affect the principle involved. The resident in East London requiring to use imported wood gets it there without its going on the railway, and therefore he is not affected by the preferential rate, but if you at King William's Town have to use imported wood you have to pay the higher rate—the imported produce rate?—Yes.

4752. Therefore you, as a dweller inland, are being taxed unduly as compared with the resident at the seaport. Do you think that is right?—I do not see there is very much difference. The inland consumer gets his Colonial wood cheaper than his imported.

4753. It makes it in this way. Take Malmesbury, which is a big wheat-producing part of the Colony. None of that flour is used in Cape Town, but all of it goes to Johannesburg and Kimberley, and the people down at Cape Town use the imported wheat, because naturally the Colonial wheat can go over the railways at a much lower rate. However, you have not thought out this question of the preferential railway rates?—No. I would not like to get it done away with unless I saw what else we should get.

4754. You did not know you were getting it?—I knew we were getting it on our fencing material.

4755. *Dr. Viljoen.*] There is a special rate for all fencing material?—If you do not have a graduated tariff the up-country people will not be able to buy many of these things at all.

4756. *Mr. Tod.*] That does not affect the preferential tariff as between the imported and Colonial production?—Does not that apply more especially to wheat?

4757. It applies to everything. Candles made in King William's Town are carried to Kimberley for 20 per cent. less than candles coming from England or America?—I am not capable of giving an answer to that.

4758. With regard to the tariff, are you satisfied with the protection of 25 per cent.?—Yes, except that I think for these light American vehicles it should be 50 per cent.—the small carriages. The tariff of 25 per cent. was put on last time, and they came in at almost the same price. It is not very much for a thing you can buy in the States for £4.

4759. I know a small cart will be retailed in the country parts for £7?—I think a heavier tariff should be put on these things.

4760. Can you make anything as light in this country?—You cannot make the same thing, but you can make an article which, used for the same purpose, is far better.

4761. Can you make it as light?—Yes, and it will stand twice as long.

4762. Of imported wood?—Yes. Carriages are mostly of imported wood. Still, if we used our own wood we think it would be better.

4763. Can you for these light vehicles?—For the wheels it is not easy, but it is better for the frame. If you get Knysna stinkwood there is nothing equal to it.

4764. Did you find any advantage after the last tariff was put on? Did you find things improve at all?—No. General business was then beginning to decline.

4765. You do not blame the tariff for the falling off?—No; just the decline of business.

4766. Still, it must put you in a better position to compete against oversea imports?—Yes, I think so.

4767. Have you anything to recommend in regard to the lighter vehicles? How would you like the tariff applied to vehicles under a certain value?—I think it would be best to make the tariff prohibitive for them.

4768. How will you draw the line betwen one sort of carriage and another? How would you recommend that?—For a good American buggy the present tariff is sufficient.

4769. Would you recommend that 50 per cent. be put on all vehicles costing £7 10s. and under?—Yes.

4770. In other respects the tarift to remain as it is?—Yes.

4771. *Chairman.*] What tariff would you suggest on hand-carts? You mentioned hand-carts?—I think I would include them with the lighter vehicles.

4772. *Mr. Kayser.*] With regard to the extra duty you propose on these light American vehicles, you suggest a duty of 50 per cent. on vehicles costing in America £7 10s. and under?—Yes.

4773. How much difference would that make in the cost of the vehicles out here? Of course, the duty would be £3 15s.?—Yes, it would make a difference of £3 10s.

4774. No, because it is 25 per cent. already?—It would make sufficient difference to enable people here to make them. You can almost make the store trucks already, and taking into consideration the better quality of the article you will get, I think you will easily compete.

4775. The man buying will have to pay more money for the cart, as a natural sequence, if you raise the duty, but he will get a better article?—Yes.

4776. What is the lowest price at which you can make a cart of two wheels?—I have made a cart of two wheels for £5 10s.

4777. For how much could you, in the regular way, make this article which will be so good as to outlast the others?—I think about £9.

4778. You could make a two-wheeled cart for £9?—Yes.

4779. What are they being sold at to-day in the town—the imported carts?—I think they are sold about as low as £4 or £4 10s.

4780. I am speaking of a two-wheeled cart to seat two?—I am not so certain of that.

4781. You do not know much about it?—That is out of my way.

4782. You have not studied it?—Others who are in the line have talked it over a good deal.

4783. Now with regard to the hand-carts, for what price could you make them, say to carry five bags of meal—1,000 lb. weight?—We could make a good cart for £9.

4784. Do you know what you can buy one in town for?—£4.

4785. To carry 1,000 lb.?—No. There is not one sold in town which would carry 1,000 lb.

4786. What would they carry?—Not more than 300 lb.

4787. What would it cost to make one to carry 300 lb.?—We would not make such a one. You cannot buy the stuff suitable for a thing like that.

4788. As a matter of fact, you cannot make a similar article?—We could make a facsimile of it. Most certainly we could make a similar article.

4789. You ask the Commission to recommend the increase of the duty on these articles so that they can be made in this country?—I never anticipated you would ask us to make a truck like an American truck that requires to be repaired before it is used.

4790. What extra will the man have to pay for your article?—You can get a thoroughly good article for £7 10s. to £9.

4791. The only point I want to get at is how much more a man would have to pay. He would have to pay £3 to £5 more for the article?—Yes, but I do not like that way of putting it, because you are not stating it fairly.

4792. He would get a better article?—What makes the difference between a child's cart and a strong wheelbarrow?— There is just as much sense in the one as the other.

4793. Do you not think it is wiser, if you have to import these vehicles, to import them and repair them before they are sold? Do you not make money out of the repairs?—Yes.

4794. Do the merchants import the goods for amusement or because they want them?—Because they want to sell them, I suppose.

4795. And people buy them?—Yes.

4796. And on your scheme the people would have to pay nearly 100 per cent. more? What extra percentage is it when you say a thing will cost £3 more if it originally cost £4? What percentage is £3 on £4.—I demur to answer that question. You want to know what tariff I want to put on, but I do not want you to say that I am wanting to put a tariff on a thing which is not the same value as the thing we produce.

4797. I know your article will be better?—Do not compare it with the other one.

4798. All that I am pointing out is that the man will have to pay so much more for an article—an increase of 75 per cent. Of course I would prefer to buy a Colonial buggy rather than an imported one?—You ask whether the merchant does not import them for amusement. He does it to sell them, but he generally has one made here for himself.

4799. Will you tell me why you prefer Belgian steel?—We prefer it for some purposes only.

4800. Why?—Because it is softer.

4801. And cheaper?—It is cheaper.

4802. Is it much cheaper than English?—Not very much. For girders it will perhaps be about 15s. in the ton.

4803. Is that the only difference?—Yes.

4804. Could you show us any price list to show that?—Yes.

4805. Will you provide us with a price list showing the difference between English and Belgian girders?—Yes.

4806. You said you would prefer a small tariff on these ploughs. What do you mean by a small tariff?—What would be the *ad valorem* duty?

4807. 12 per cent. and 15 per cent?—That would be quite sufficient.

4808. You think 12 per cent. on English and 15 per cent. on American would be reasonable?—Yes.

4809. *Mr. Harlow.*] Are you connected with the building of carriages and carts still ?—No.

4810. Can you make the whole of the material you use out of Colonial timber? —In wagon building we can, and do, make the whole of the wagon out of Colonial timber with the exception of the bed plank, and that could be made out of Colonial timber too, but there is not sufficient.

4811. *Mr. Pyott.*] With regard to the tariff on the hand-cart you maintain that you would like a tariff of 50 per cent., which would be about £3 10s. each ?—Yes.

4812. You maintain that the cart you build here for £7 10s. is a better article than the one imported for £4 ?—Yes.

4813. And it would last double the time? -I am sure of that.

4814. Therefore, in the long run, it would be cheaper for the purchaser?—Yes.

4815. *Mr. Scott.*] Are you in the wood portion or the iron part of the trade? Do you do the iron as well as the wood work of the building?—Yes.

4816. Have you got machinery in your place?—Yes.

4817. You have a foundry also?—Yes.

4818. Have you a good deal of wood-working machinery?—Yes.

4819. With regard to the farmer and the making of his agricultural implements, do you think you could make a good deal of these in the Colony—ploughs and harrows?—Years ago we made a number of harrows, and ploughs also.

4820. You are a practical agricultural machine maker?—I would not say that, because I have been out of it so long, but we have made iron ploughs and harrows. A long time ago we made harrows in great numbers.

4821. You see no reason why these articles cannot be made here?—No, and what is more, I think that until we begin to manufacture our own things we shall not make very much advance in real agricultural work.

4822. Now with regard to making patterns and moulds for agricultural machinery, each pattern you make costs you a good deal of money?—Yes.

4823. And they are of little use for repairing purposes?—If you will allow me to explain, when a casting is wanted you have first to make the pattern in wood. You may cast it off the old one, but it will be less in size, because the metal contracts when it is cooling. Very often—in fact, almost invariably—you have to make the pattern. Just judge what a pattern made of wood will cost, in contrast to the article when it is finished. It is sometimes twenty times as much.

4824. I want to see the benefit the farmer will get if you make his plough and his steel here. Would you be able to repair his machine at a lower rate if you were also manufacturing the article?—Yes.

4825. You are quite sure of that?—Quite sure.

4826. I suppose you would also be able to employ more men?—Yes.

4827. How many more; what proportion?—That would depend on the turnover.

4828. I would advise you to hand in a list of the articles you could make. Could you do that?—Yes.

4829. You could think over the articles which could be turned out in your factory to advantage, and hand the list in to the Commission?—Yes.

4830. I would very much like to see your factory?—We would be very pleased to show you over it.

4831. Your main grievance is against the light American carts?—I would not put it as a grievance; it is a desire to encourage the industries in the country, and no one would feel the disadvantage.

Confectionery, Jam and Preserve Making.

Norman McLoud Thomson, Confectioner, examined:

4832. *Chairman.*] You wish to give evidence on confectionery?—Yes.

4833. What points do you wish to bring before the Commission?—The first point is the matter of wooden boxes imported in shooks. At the last Customs Convention 15 per cent. duty was placed on them. This 15 per cent., as a matter of fact, does not enable the sawyers to compete; 100 per cent. would only just enable it. We have to pay that 15 per cent. and it comes very heavy. Printed cardboard boxes pay 25 per cent. duty. There are no cardboard factories round about here, and yet we have to pay that duty; it is 15 per cent. unprinted—if we label them. On unsweetened chocolate we pay 2d. a pound.

4834. What alteration do you want? You want wooden and cardboard boxes to come in free?—For trade purposes in shooks.

4835. For all purposes?—In shooks.

4836. What do you want on unsweetened chocolate?—I think if it were reduced to 1d. a pound it would be a considerable help. On dessicated cocoanut, unsweetened, we pay 2½d. a pound, which makes that a very expensive item as an ingredient in cocoanut stuffs. I think that should be reduced to 1d. a pound. Icing castor sugar—Dutch crushed—is 5s. a hundred, against 3s. 6d. for the white crystal. I would suggest that that be on the one footing to enable us to use either Dutch crushed or the white crystal from Mauritius. The duty on essential oils of all sorts is 25 per cent. I think that should be reduced to 10 per cent. I think that is about all I have to suggest.

4837. *Mr. Tod.*] You do not wish any difference in the protective duty on confectionery?—I do not think that would be necessary if we could get these other goods reduced.

4838. You think you are sufficiently protected now?—I think so, if we can get the other matters adjusted. The question of boxes is the largest item.

4839. Do you derive much benefit from the preferential railway rate?—No.

4840. You do not attach much importance to it?—No.

4841. It would be no hardship to you if it were done away with?--Not very much.

4842. *Mr. Kayser.*] Is it possible to get any of these articles in the country in regard to which you ask for a reduction of the duty—cocoanut, for instance?—As far as I know it is impossible.

4843. Not in Natal?—I have not heard of its being made into dessicated cocoanut there.

4844. Would the reducing of the duty on icing sugar from 5s. to 3s. 6d. be an important item?—Yes. We do not use white crystal sugar for the best class confectionery.

4845. How much icing sugar do you use?—We do not use as much as we should. We could use more if the duty were reduced.

4846. Does the protective duty help you on confectionery sufficiently?—In the common boilings there is no question. It is when we get the dry and packed goods and 4 lb. and 7 lb. goods that we cannot compete.

4847. You are only asking for the protection to compete in the higher class sweets?—Yes, and to turn out as good things as the Home people.

4848. You say you pay 15 per cent. on boxes and 25 per cent. if printed, and you want them in free?—I should not like the printed ones in free; or if we could get a box made here it would make all the difference. We cannot get them here, and when once made up it is hard to get them printed.

4849. It would pay you better to pay 25 per cent. duty than to have them made here?—It would pay better to have them made here, if it was at anything like a price.

4850. Is it impossible?—They started a factory in East London, and they closed down after several months, and we had to send Home again.

4851. It would not be worth their while to get them made?—The demand is too small as far as we are concerned.

4852. Did you say it was impossible to get the boxes made in the country?—Impossible to this extent—of course I can only speak for East London and King William's Town—that you cannot get a Colonial soft wood, and of course they cut them out of deals. They are unplaned, and cost us at least twice the price of the imported, and are nothing like as satisfactory or clean or white looking.

4853. We have it in evidence from the makers of boxes that they are satisfied with 15 per cent. duty. They say they can make them?—I have paid as much as 1s. 9d. and 2s. per box against being able to land them here at 8½d. a box.

4854. We have been asked by sawmillers that the duty of 15 per cent. shall be continued. They do not ask for any increase, because they say they can compete with that duty. That is not your experience?—No.

4855. *Mr. Harlow.*] Are not sweets an absolute luxury? They are not required in everyday use?—To a great extent they are luxuries.

4856. You say the present duty on imported goods is quite high enough?—I think so, if we can get the other things free. The duty seems high enough, provided we can get the boxes and these things in free.

4857. You want to reduce the tariff on chocolate and dessicated cocoanut, and so on?—I make a distinction between sweetened and unsweetened chocolate. The unsweetened chocolate we import in slabs, and use a good deal of work in covering chocolate articles. We have to import it and sweeten it ourselves and mix it with other ingredients. It it not a sweetmeat.

4858. Do you adhere to the statement that you want to reduce it to 1d.?—The unsweetened, yes.

4859. You want the sugar reduced to 3s. 6d. from 5s.?—It would be an advantage, and would enable us to turn out a better article which would compare so much better in appearance with the imported. At present we have to use the white crystal sugar for a lot of things that in England are made from Dutch crushed sugar, which has a much whiter appearance.

4860. Have you a mill for grinding the sugar?—Yes.

4861. Then cannot you grind it?—We do. There are three kinds of sugar used—castor, Dutch crushed and icing.

4862. You wish essential oils to be reduced from 25 per cent. to 10 per cent.?—Or 15 per cent.

4863. Is it not possible to produce those in the country?—I do not think so.

4864. What kind of boxes do you sell, if it is a fair question?—We use five or six different kinds.

4865. Can you give a fair idea of the value of the boxes you use in a year?—I suppose £400 or £500 worth.

4866. Have you applied to any other manufacturers of boxes except locally and in East London?—Carriage would put them out of the question I take it, and I take it the same conditions would prevail in Grahamstown and Port Elizabeth and King William's Town as in East London.

4867. You have never tried Cape Town?—No.

4868. As a matter of fact it would be cheaper to get there than from Grahamstown?—I daresay it is.

4869. By sea?—No. We would get them from Grahamstown by wagon.

4870. Your turnover in cardboard boxes is not sufficient for you to form your own place for their manufacture, I suppose?—No; we do not use sufficient. Then, being in the sweet trade, we could not lay ourselves out to sell cardboard boxes much; and it would not pay to lay down a plant for our own requirements.

4871. As you do not use so many, I suppose you do not press the point?—No. It is only one of the items I picked out.

4872. What class of labour do you use?—White and coloured.

4873. In what proportion is your white labour?—About 25 per cent., I think.

4874. Male or female?—Both.

4875. Have you any objection to the Commission seeing your factory?—None at all.

4876. *Mr. Pyott.*] What is the percentage of boxes you have to pay for in comparison with the business you are doing?—It is about a twelfth.

4877. Do you know that in Port Elizabeth and Cape Town we are getting boxes made cheaper than we can import with the present duty?—I did not know that. I would like to see that done round here.

4878. I question whether, if the duty were reduced, we should not continue to do so, because we find we have a benefit through not having to hold large stocks. It reduces our insurance, and does not lock up our money?—Are they made from Colonial wood.

4879. From imported wood?—Of course, the sawyers round here have not laid themselves out to import the proper wood. We have offered them contracts to do so, but could not manage it.

4880. The cardboard boxes form a small item, I suppose?—Yes.

4881. Are you aware they are being made in King William's Town to-day?—I am not aware of it.

4882. We have just had evidence that they are in Ginsberg's factory?—For their own use only.

4883. Is it possible for you to do the same?—We have not a sufficient number in use to warrant our laying down the plant.

4884. Is not the percentage of chocolate and cocoanut so small as not to be worth worrying about?—There are a great many cocoanut goods. I would like to press that point.

4885. Is it not possible to get a granulated sugar of exactly the same value as your Dutch crushed?—That is not my experience.

4886. Do you import Dutch crushed sugar sometimes?—Yes.

4887. Paying the larger duty?—For certain work.

4888. I suppose that it also is infinitisimal?—It is a small matter.

4889. Such as finishing almonds?—Yes. It is not a big point.

4890. You use granulated sugar for grinding, I suppose?—Yes.

4891. You would not require Dutch crushed for that?—Yes.

4892. You suggest reducing the 25 per cent. on essential oils to 10 per cent. I have been looking up the evidence in Port Elizabeth. One gentleman there who is making these things asks us to increase the duty?—I have not heard of their being made in this country. That alters the complexion of the thing considerably.

I am prepared to let that remain as it is if I can get them in the country, but my experience has been to the contrary. This Port Elizabeth firm has not sent out circulars.

4893. They say the duty is not sufficient to enable them to manufacture?—I will not press if they are going to live on it. I would not press the point of wooden boxes if I could get them here.

4894. *Mr. Scott.*] With reference to your cardboard boxes, these are made extensively in Cape Town, and I think it would be a hardship to the trade if the duty were taken off at the moment, because they are just struggling along. How much would it cost you to lay down the plant for your cardboard boxes?—I could not tell you off-hand what a plant like that would cost.

4895. Approximately, how much would it run into—£100?—I should think quite that.

4896. That is not a large amount to spend in your business. If there is a duty on cardboard boxes you can get out of the difficulty by spending £100?—I am not prepared to say we could do it.

4897. Are you aware that there are people here willing to make the boxes from the native timber if the duty remains?—I should be pleased to see it, but up to the present, although they may have told the Commission that, they have not told us.

4898. Are you aware that boxes are being sent round here from Cape Town?—No, I am not.

4899. Ginsberg's, I believe?—I do not believe they get their boxes from Cape Town.

4900. The convenience is this, that they fall back on Cape Town when they run short?—We have fallen back locally, and have paid 1s. 9d. for a box we could land at 9d. I have never been able to buy under 1s. 6d. here for a deal box.

4901. *Chairman.*] I suppose you know Natal is very much interested in the sugar industry?—Yes.

4902. It would almost break up the Convention if you proposed to bring in sugar in competition with Natal. You do not use Natal sugar?—No; ours is all from Mauritius and Australia.

4903. Beet sugar?—No, cane sugar.

Milling, Flour, and the Manufacture of Oatmeal, &c.

Robert James Alison, Secretary of the Kaffrarian Steam Mill Co., Ltd., examined:

4904. *Chairman.*] You represent the milling industry?—Yes.

4905. On what points do you want to give evidence before the Commission?—I wish to make some remarks, especially on the flour duty. I have written a statement here.

4906. *Mr. Tod.*] What are your recommendations?—The substance of these notes is that I think the present protection is the lowest possible minimum.

4907. Do you ask for any alteration of the Tariff?—I ask for no alteration.

4908. You do not want any higher protection?—We do not press for that. I only wish to point out that the present is the very lowest possible minimum under which we can exist.

4909. Really you are not prepared to ask the Commission to recommend further protection?—We do not ask for that.

4910. Supposing it is decided to increase the duty on wheat, of course we will require a corresponding increase on flour and bran?—Certainly.

4911. Do you handle much Colonial wheat?—As much as we possibly can.

4912. What proportion does it bear to the imported?—It depends on the season. For years past the proportion of Colonial has hardly been worth taking into account, but last year we had a fair quantity of it at our Molteno mills. I should say approximately a twentieth of our whole consumption.

4913. What countries do you take your wheat from?—United States of America, Australia very largely, the Argentine, and occasionally India.

4914. Do you employ skilled labour in milling?—Yes.

4915. White labour?—Yes.

4916. I suppose you employ coloured labour as well?—Yes.

4917. In about what proportion of white to black?—In the mills, apart from the office staffs, we employ about 24 whites and 80 natives.

4918. I suppose the natives just do rough work?—Handling.

4919. *Dr. Viljoen.*] What milling company do you represent?—The Kaffrarian Steam Mill Company here and in Molteno.

4920. You confine this to the Eastern Province?—Yes.

4921. Can you tell us the Colonial production of wheat in the area in which you do business—King William's Town and Molteno? I suppose you buy up wheat in the Eastern Province?—Yes, as far as Basutoland and the Orange River Colony.

4922. What is the quantity of South African wheat you buy locally, roughly? —Last season about a twentieth of our whole consumption.

4923. How much is that?—Approximately 20,000 bags of South African.

4924. Then you will have about 80,000 imported?—More than that.

4925. What is the quantity of imported wheat?—200,000 bags. My proportion was wrong; I should have said a tenth.

4920. Has the production of wheat in the parts in which you trade increased or diminished during recent years?—It seems altogether to depend on the season. Until last year practically none was bought for some years. This year we expect to buy a much larger quantity of South African, as I believe a great deal more has been sown.

4927. You are very much subjected to the seasons—dry and wet?—Yes, enormously.

4928. Can you tell us whether the wheat in the Eastern Province is affected with rust?—It is, greatly.

4929. That makes the growing of wheat very precarious?—Yes.

4930. If you could get a rust-resisting wheat would that increase the Colonial production?—Immensely, I am confident.

4931. Have you tried to get a rust-resisting seed?—Eighteen months ago we imported considerable quantities from Australia, and sold this and also experimented ourselves.

4932. Would you mind giving the name of the wheat?—Glewas, Australian wheat. It was used with great success in some parts.

4933. You find that this Glewas wheat is partially rust-resisting?—We found it so in our experiments.

4934. If an additional duty was put on wheat—on the imported article—do you think it would affect the consumer—say a moderate additional duty of 25 per cent. or 30 per cent., or thereabouts? Would it increase the price of the bread?—When it is calculated down to the cost of a single loaf of bread I do not think it would.

4935. The price to the consumer would remain about the same?—I think so.

4936. Would you mind telling me what percentage of Boer meal you get from wheat; that is, supposing you were to grind a bag of 200 lb. of wheat, what weight of Boer meal would you get from that?—Do you mean whole meal?

4937. Yes.—I should say from 100 lb. of wheat we would get 90 lb. of whole meal.

4938. That is Boer meal?—Yes.

4939. Then you would get from a bag of 200 lb.—which is the standard weight —about 180 lb. of Boer meal?—Yes.

4940. What percentage of loss would there be in sifting the meal; in other words, from a bag of 200 lb. of wheat how many pounds of sifted meal would you get?—From 200 lb. of wheat we should get 150 lb. of the finest meal.

4941. Is that the meal generally used for baking? You are talking of rations, I suppose?—No, the finest meal for European use.

4942. How much rations?—That is No. 2 meal. I should say approximately 160 lb. from 200 lb. of wheat.

4943. You get a considerable quantity of your wheat from Basutoland?—A fair quantity in good season.

4944. You do not get wheat from the Western Province?—No; the distance is against us.

4945. You are aware that there is a differential rate on Colonial wheat?—Yes.

4946. Would you be in favour of retaining that differentiation?—I have not considered that question, but I think I can say yes.

4947. Anyhow, if the differentiation is taken away it will mean a considerable loss of protection to the producer—the farmer?—It will.

4948. If it were taken away you would have to put a heavier protection at the port, in order to equalise the loss?—Yes, I suppose that is so.

4949. Did I understand you to say that the miller is satisfied with the present duty on imported flour?—Yes; he does not ask for more.

4950. Naturally, in your business you make inquiries with regard to the wheat production of the area in which you trade?—Yes.

4951. From your information, would you say that there is a likelihood of the production of wheat increasing on that area in the near future?—I think so.

4952. Are you disturbed in your business by the constant alteration, or threatened alteration, in the Customs duties?—We are.

4953. It would be better for you to have a definite minimum period fixed?—Certainly.

4954. Would you give an idea of what you consider a reasonable period?—Answering on the spur of the moment, I should say five years at the least.

4955. *Mr. Kayser.*] Would you suggest that any notice be given at the expiration of that term of five years?—I think that would be a decided advantage.

4956. If any change came into force, you would like to have ample time to look round?—Certainly.

4957. I understand the present duty on flour was arranged so as to allow for a proportionate reduction in weight in the milling of flour. What I mean is, you stated to Dr. Viljoen that you got between 80 and 90 lb. of meal from 100 lb. of wheat?—Yes.

4958. How many pounds of flour do you get?—From 200 lb. of wheat 140 lb. of flour.

4959. About 70 per cent.?—Yes.

4960. That being the case, would it not be fair to make a smaller difference for wheaten meal in the duty; that is, to make the duty for wheaten meal lower than that for flour?—I do not think that would be a desirable thing. If you will allow me to show you, I have three samples here [*producing same*]. In the event of a graduation of the duties it seems to me that any unscrupulous importer could declare either of those samples as meal or flour. Two are manufactured as meal and the third is flour.

4961. *Dr. Viljoen.*] There are three qualities here?—Yes.

4962. *Mr. Pyott.*] What is the difference?—One is our best flour, another fine sifted meal, another second sifted meal.

4963. *Dr. Viljoen.*] Is this third sample—the second sifted meal—the quality which would correspond to rations?—That is not represented at all; the second sifted meal produced is a grade higher than rations. I have seen flour inferior to this imported, and it would be the easiest thing in the world to bring it in under the name of meal.

4964. *Mr. Kayser.*] In your opinion it would be a very difficult matter to draw the line?—Yes. Sifted meals are becoming more and more refined, until they are practically flour.

4965. You do not get much competition in meal, do you, except locally? Do you get much oversea competition?—Not much.

4966. But you do in flour? There is a considerable quantity of imported flour?—An immense amount.

4967. So the small advantage you get in the fact that meal gives you a better result is to a certain extent lost by the competition in flour, that is as far as the protection is concerned?—Yes.

4968. But you do get a slight advantage as far as meal is concerned in competition with oversea articles?—There is practically no oversea meal being brought in.

4969. Then the present protective duty practically controls the market for meal to the South African manufacturer?—Yes; I think I may say so.

4970. Then you gave the price of South African bran as £4 per ton of 2,240 lb. That is a very low price compared with that given us in other places?—That is quite correct. That is the lowest price that has ruled within the last month.

4971. *Mr. Pyott.*] You are speaking of big importations, and that does not rule here now?—No.

4972. *Mr. Kayser.*] That is the price you have to take for your surplus quantity?—Yes. It has been sold down to 3s. 6d.

4973. Bran is an article you have occasionally to ship to other markets?—Yes.

4974. You say you would have no objection to a concession in the railway rate on South African grain and so on being withdrawn, provided there was further protection at the ports?—No; I do not think I put it in that way. I think I said I would like to see the preferential South African rate continued.

4975. Does that affect you as a merchant? Is it an advantage to you?—When working with South African grain it enables us to reach long distances—Rhodesia, for instance.

4976. More distant markets which you could not get with the imported article?—Yes.

4977. Why would you not get it with the imported article? Would other Colonies, or other towns in our own Colony, get it if they were all on the same footing?—If one rate obtained we should have an equal chance with the others, and it would be purely a matter of distance.

4978. There was one point with regard to Dr. Viljoen's question I wanted to clear up. He asked you if the duty on wheat were increased would there be any increase in the cost to the consumer. You said you did not think it would make any difference in the price of a loaf of bread?—Yes.

4979. I think that was rather far fetched. Would it make any difference in the cost of a bag of flour; would an additional duty of 25 per cent. or 30 per cent. on wheat increase the cost of a bag of flour?—That is to say, an additional 3d. per 100 lb. It would naturally increase the cost by that amount.

4980. The reason it would not increase the price of a loaf of bread is that the difference would be so infinitismal?—Yes.

4981. But the man buying a bag of flour would have to pay slightly more in accordance with the extra duty put on?—Certainly.

4982. As a matter of fact, the price of flour has increased very much lately, has it not?—Owing to the advance in the wheat market.

4983. So any additional cost in the raw article must increase the cost of the finished product?—Yes.

4984. *Mr. Harlow.*] Do you think in the event of the tariff being taken off wheat and flour you would be able to exist?—I feel sure we should not be able to exist; we should have to close down.

4985. Do you send any large amount of stuff to the other Colonies?—Yes, both into the O.R.C. and the Transvaal.

4986. Supposing the Customs Union was to be dissolved, would that affect your business in any shape or form?—There is no doubt it would.

4987. I think you answered a question with reference to preferential rates. Did I understand you to say that the English bran was from £5 to £6 per bag?—Per English ton of 2,240 lb.

4988. And yours is £4?—Yes, at the present time.

4989. Do you think it would tend to increase the production of wheat, provided the bounty system was introduced?—A bounty to the farmers?

4990. Yes.—I have never considered that question. I should imagine it would induce the farmers to produce more wheat. I cannot express an opinion though.

4991. Would you express an opinion as to whether it is desirable to give bounties?—No; I have not considered the matter sufficiently.

4992. Could you suggest any other methods whereby you could keep your industry going without the aid of the tariff?—No; I cannot think of anything else.

4993. What is the rate of wages you pay in your mill for white men?—According to their duties—from £3 to £4 a week.

4994. In reference to the mealie trade, do you get a full supply of mealies here?—For the last year we have got a certain supply of mealies from this district, but we have had to draw on Natal to a great extent.

4995. You have to import mealies?—From Natal.

4996. Not from anywhere outside South Africa?—Not at the present time.

4997. *Mr. Pyott.*] You said the loss of grain in importation, that is practically from the port of embarkation to this port, is on an average 1 per cent.?—Yes, the loss between delivery and arrival weights.

4998. This would vary in the various seasons of the year in which it was imported?—Yes.

4999. You say in the cleaning of wheat you lose from 3 to 10 per cent.?—Yes.

5000. What would be your average—about 5 per cent.?—Taking into account all the various qualities we use, I think we may say 5 per cent.

5001. And a loss in grinding of from 2 to 3 per cent., from the time the cleaned wheat goes into the mill until the time it comes out a finished product?—Yes.

5002. That is practically 8½ per cent. loss between the bill of lading weight of your wheat and the weight of the finished product?—Yes.

5003. You said the price of bran here was £4. I suppose that means your excess stock. That is not the general rule of the price of your bran in local markets?—Our local market is small. The bulk of our market is inland.

5004. You have to ship it away?—Or by rail.

5005. You have to sell your bran for the market that is ruling?—Yes.

5006. You said there was 15 per cent. of bran and 15 per cent. of higher offals, which in other countries realise more than here?—Yes.

5007. You suffer to-day by having to take a lower price for your offals than those in other countries?—Precisely.

5008. Would you be in favour of higher protection on wheat for the purpose of increasing the production in this country?—I cannot say I am in favour of raising the duty on wheat.

5009. What other system would you suggest to increase the production of wheat in this country?—I could only suggest recommendations from the Government to the farmers.

5010. You would not suggest a bounty system?—I would not.

5011. Do you think it is unworkable?—I think it is undesirable.

5012. In what way?—I feel the farmer is in a position to grow wheat profitably now without it; that is my opinion.

5013. Does he not want any more stimulating?—Not of that nature.

5014. Neither through the Customs or by bounty?—No.

5015. Is it your impression that wheat will ever be grown to any extent in this country?—I think it will. I think the growth is on the increase now.

5016. You do not ask for any higher protection in regard to flour importations? You are quite satisfied with the present protection, provided it is maintained?—Yes.

5017. What is the difference in the prices you pay for Colonial grown wheat and the imported of equal value?—If the Colonial is equal we have given up the imported value, but the quality of South African is very seldom equal.

5018. Supposing they were both of equal value, would you only pay for the Colonial the same as for the imported?—Yes.

5019. Not more?—No.

5020. Do you not have a preference over the railway in the back country for this wheat?—We have.

5021. Would you sell this meal in the back country at the same price as you sell your imported?—I may say of late we have not been taking advantage of the rate on our manufactured stuffs. We have been mixing South African and imported.

5022. You do not send out South African as such?—We have not done lately, to any great extent.

5023. But naturally, if you had two of equal quality, you would pay higher for the Colonial, taking into account the preferential rate?—Yes, if we kept them distinct.

5024. Your point is that the Colonial is not of sufficiently high quality by itself?—Yes.

5025. Have you given the rust-resisting seed wheat to the farmers?—Yes.

5026. What has been the result?—We imported it eighteen months ago, and last season the results were very highly satisfactory.

5027. Have you got a wheat that is rust-resisting?—Yes.

5028. I think you said you could produce 140 lbs. of flour from 200 lbs of wheat?—Approximately.

5029. Do I understand that is cleaned wheat or as it comes off the ship?—Cleaned wheat.

5030. You have practically to take your 8½ to 10 per cent. off that in cleaning?—Yes.

5031. Do you mill mealies to make mealie meal?—Yes.

5032. What is your protection on that?—2s. 9d. per hundred pounds on manufactured mealies—3d. rebate on British.

5033. Is that sufficient margin to allow you to mill mealies?—Yes; we ask for no more.

5034. What is the advance on the wheat market to-day, say from nine months ago?—60 to 70 per cent.

5035. What has been the advance in your product in the same time?—In our prices?

5036. Yes?—30 to 40 per cent.

5037. What has been the advance in the price of bread in this locality during the same period?—In King William's Town? I am afraid I cannot answer that question.

5038. The price was 2½d. before and 3d. to-day, I suppose?—I am not certain.

5039. *Chairman.*] From a notice in the newspapers, I see the manufacturers have not increased the price to consumers, but only reduced the discount to bakers?—Yes.

5040. *Mr. Pyott.*] Why have you only increased the price of products 30 to 40 per cent. if the raw material has been advanced 60 to 70 per cent.?—That is hard to say.

5041. Is not one of the reasons the fact that you have been holding stocks?—Yes, we have done that.

5042. *Mr. Scott.*] Do you suffer from the dumping of wheat, the same as at Port Elizabeth?—Exactly the same; we suffer very severely from that.

5043. You mention you have imported quantities of seed wheat, and given these to the farmers?—Yes.

5044. Does the Government do anything in that direction?—Yes. The Government held stocks of wheat for distribution to the farmers, but, in our opinion, of very undesirable kinds.

5045. Can you give the names of the undesirable seeds?—There is one wheat which has been for years in great favour with the farmers—Golden Ball. It is a large yielder and a fine looking wheat, and generally takes first prize at the Agricultural Shows, but it is most undesiderable wheat for flour producing.

5046. From a miller's point of view?—Yes.

5047. *Mr. Tod.*] Is it hard wheat?—Hard, flinty wheat.

5048. *Mr. Scott.*] Is this rust-resisting wheat you mention, called Glewas, a desirable wheat from a miller's point of view ?—Yes.

5049. It gives you good results ?—Yes, a white Australian flour.

5050. *Dr. Viljoen.*] Whereabouts does Glewas wheat come from ?—From the Colony of Victoria, I think.

5051. You refer to Golden Ball. Is Golden Ball grown in the Eastern Province ? —Largely.

5052. Is it unsatisfactory for milling purposes ?—Very.

5053. You say the increase in the price of wheat has been from 60 to 70 per cent. and the increase to the consumer about 30 to 40 per cent. Now that is not proportionate. Is that not due to competition ?—To a certain extent it is.

5054. *Chairman.*] Have you any evidence to give in reference to railway carriage on these manufactured specialities from mealies ?—Yes. If I may bring that forward now, I would like to do so. I may say that my company has been in correspondence with the Railway Department over the rate of carriage of a product of ours called Mealie Creamo. It is simply white mealies reduced into a small granule-pure mealies, nothing else. The rate of carriage on mealie meal in the ordinary grain bag is ¾d. per ton per mile, and this article I speak of—a simple product of mealies—is packed in cardboard and wooden boxes, and, as a great concession, the Railway Department has agreed to carry it at the Third Class rate. On long distances that means an enormous, prohibitive difference.

5055. *Dr. Viljoen.*] Bearing on this subject—it escaped my attention at the time—do you make oatmeal ?—No.

5056. You make mealie meal ?—Yes.

5057. I do not know whether it applies to mealie meal, because we do not make it in the West, but with reference to the oatmeal I suppose the same condition that applies to the railway carriage of mealie meal would apply to oatmeal ?—Yes.

5058. It is a fact that if you want to send this stuff up in boxes or tins you do not get the preference on the railway that you get for the stuff sent in bags ?—That is so.

5059. In other words, they compel you to send this stuff in bags instead of tins, in order to get the differentiation on the railways ?—Quite so.

5060. Is that a grievance ?—A distinct grievance.

5061. You have no knowledge whether that grievance applies to oatmeal, because you do dot produce it here ?—No. I wish I had brought some correspondence down.

5062. *Mr. Kayser.*] Will you tell us what the railway charge on the imported article of a similar nature is ?—If I may be allowed, I will bring all this information together.

5063. Is it not a fact that the imported article would pay a higher rate than yours in packages ? Yours is the Third Class rate and theirs travels at Second Class rate. You do get a lower rate ?—Yes.

5064. *Dr. Viljoen.*] The fact of your mealie meal carried in the boxes mentioned by you being at a higher tariff is an incubus on the manufactured article ?—Yes.

5065. *Chairman.*] The other point you might bring out on Monday is that you say you do not at present take advantage of the preferential railway rate. I suppose it affects the farmer seriously. He gets a special rate for his wheat ?—Yes.

5066. Could you estimate, or bring it before the Commission, taking an average of 500 miles, what additional protection in the shape of Customs duties would be necessary supposing this preferential railway rate were done away with ?—Yes. (Handing in on 18th.)

The following notes were subsequently handed in.

"To Mr. Pyott's question on Saturday as to the South African Railway rate on wheat in relation to its value, I would have replied with a little more time for reflection that whereas the Western and Midland mills have the bulk of the Kimberley and Rhodesian traffic, on the Cape and Rhodesian lines where the lower rate holds good, we on the Eastern side have as our back country the Orange River Colony and Transvaal; and it will be remembered that on the C. S. A. Railways South African Produce gets no advantage over Imported."

"As requested by the Chairman on Saturday, I append a memorandum dealing with railway rates on wheat.

"The Imported Produce rate on wheat for 500 miles at 1¼d. per ton per mile is 2s. 7¼d. per 100 lbs. The South African Produce rate on wheat for 500 miles at ½d. per ton per mile is 1s. 0½d. per 100 lbs. so, if the preferential rate were abolished, 100 lbs. of local wheat pay 1s. 6¾d. more for the above distance. It would require a terrific increase of duty to make up for this lost advantage. If distance is considered, it is to be hoped that the preferenial railway rate will be maintained especially in view of the fact that wheat growing in the country is on the increase."

Frederick August Ninow, Miller, *examined:*

5067. *Chairman.*] You wish to give evidence on milling ?—Yes.

5068. What points do you wish to bring before the Commission ?—I wish to represent that the import duty on flour and wheat is unequalised for our small colonial mills.

5069. Do you want an increased duty on wheat or on flour? - We ask the Commission to add a duty on the importation of flour and meal and to reduce the duty on wheat to enable the little colonial mills to get a chance to work too. Through this Customs Convention our mills are practically shut down.

5070. What reduction do you want on wheat?—Before the Customs Convention flour and meal were 4s. 6d. Now it is only 2s. 6d.

5071. It was 2s. before the present arrangement. You are going back ten years? —No, going back to what the tariff was before the Customs Convention, which was three or four years ago, was it not?

5072. It was 2s. before the present Convention, four years ago, and 4s. 6d. nine years ago. What is the reduction you want on wheat now? The present duty is 1s. and 1s. 2d. You want that reduced to what? Do you want wheat as it is, and to put 2s. more on flour?—Yes, duty on wheat is now 1s. 2d. a hundred raw material, whereas one only gets 75 lbs. meal out of a hundred wheat, so we are paying the same duty on 75 lbs. meal as imported per 100 lbs.

5073. To make it 4s. 6d.? Or do you want wheat at 1s., flour and meal at 3s. 6d.? —Yes, a difference of 2s. 6d., which would enable the colonial mills to work too. Previous to the Customs Convention it paid us to import wheat and grind it, but since the Customs Convention the competition has been so great that they have not been able to import to grind, because the imported stuff has been against us. If meal and flour is 2s. 6d. higher in import, would enable the importer to pay 1s. per 100 grinding fees which equalise it and promote colonial industry.

5074. Is there any other alteration you want?—Only to ask the Commission to look into the matter, in order to equalise it, so as to enable the colonial millers to grind wheat. If as above said imported meal and flour is 2s. 6d. higher than wheat will equalise the price in both after 1s. grinding fees have been paid.

5075. You want the duty on flour and meal to be 2s. 6d. more than on wheat?—Yes, to enable us to do some work too. Previous to the Convention the colonial mills were needed for the farmers and such like, but now are simply as good as closed down. The weather is against farmers, but in addition to that they would not grow wheat, even if conditions were favourable, when they can get wheat and flour at such a rate as they have been doing.

5076. *Mr. Kayser.*] Is there any meal imported now?—Yes.

5077. Much?—That I could not say exactly. All I know is it has almost shut the small colonial millers up, whereas if the duty were more equalised we would still get some grinding for our mills.

Printing.

Samuel Adlington-Corfield, Printer, examined.

5078. *Chairman.*] You wish to give evidence on printing?—Yes.

5079. Will you state what alterations you want in the Customs Tariff?—In the first place we desire an increased duty to 33⅓ per cent. on all printed stationery, and certain goods which have come into the country hitherto as printed matter, that is delivery forms and the like.

5080. An increase from 25 per cent.?—Yes.

5081. What other points have you?—There are certain goods on which we would like an abolition or reduction of duty to enable us to compete with the imported article. There are certain partly finished goods we require which we cannot produce in the country, and they are charged the same duty as the completed article. For instance, I produce a blank Christmas card, which is an example of what I mean.

5082. *Mr. Pyott.*] What is your suggestion about this?—We would like the duty taken off altogether, so that it would come in as raw material.

5083. Suppose you could get this printed in Cape Town?—We would buy it in Cape Town.

5084. But the man has no protection to produce this in Cape Town?—The protection should be on the finished article, and give the printer the opportunity of buying these things free.

5085. *Chairman.*] The difficulty is to draw the line in regard to the printing. Some are partly printed and you want them in free, but where will you draw the line? —It is distinctive enough. There is not the machinery nor the staff in the country to engrave these blocks. We cannot compete under the present conditions at all. People can order Christmas cards from Home on which they pay 25 per cent. We pay 25 per cent. on these and then have the cost of printing. Labour at Home is vastly different to this country. For instance, you would probably get that card printed for 1s. for fifty at Home, and we could not come anywhere near that. They only pay 25 per cent. duty on the cost of the card and the 1s. or whatever it may be.

5086. What is the next point you wish to bring forward?—With regard to certain other partly finished stuff in which we cannot compete, in the same way, letter forms and blank bill-heads. It is impossible for us, under present conditions, to produce those at anything like the cost, as we have not the plant and labour.

5087. *Mr. Pyott.*] You want this also free?—We would be satisfied to pay some percentage, but we want it removed from the 25 per cent. They have automatic machinery to do that at Home which we cannot use as yet. This will encourage the trade, and we hope that in time it will enable us to put down the plant for this. Then there is the matter of envelopes. We have to pay duty on envelopes. The cost of printing a large quantity of envelopes at Home is 3d. or 4d. a thousand. It is done automatically with the same machines when the envelopes are being made. Therefore it is quite impossible for us to compete with them, and we are placed at a great disadvantage. I think they ought to be admitted free to *bona fide* printers, on a declaration, not to let them come in to every one, but for printers to be entitled to receive them free.

5088. Do you think all printers are to be trusted in that way, because we have evidence that such stuff imported in that way on declaration has been sold to other people. Would it prevent printers selling envelopes to other people without their being printed on? I am pointing out the chance of fraud?—I do not think that would be a frequent occurrence, any way. You would probably find some dishonest enough to do it, but I think the majority of the printers have sufficient honour to stick to the straight way. The same applies to paper bags—to give a chance of printing these, and by degrees encourage the trade. They pay 15 per cent. plain and 25 per cent. printed at present. I have no chance at present, for the simple reason that they are printed at the same time as they are made. Automatic machinery makes and prints the bag complete. Then there is a limit to the size of paper in the tariff schedule. It is a very strange one. It prohibits foolscap size coming in free. The size is 16 by 15. Foolscap is 16½ by 13½—the paper lawyers use for their deeds—foolscap hand-made. They object to having the cut edges. We can import it in double foolscap, but they object to having the cut edges, and we cannot import this foolscap and pay duty.

5089. *Chairman.*] Is there any other point?—I think that would practically cover everything—that is, partly manufactured goods.

5090. *Mr. Pyott.*] I would like you to give some idea why you want to increase the duty from 25 to 33⅓ per cent. You have given no sound reason up to the present moment?—There must have been some reason to get the duty increased to 25 per cent., and on the same ground we wish it to be increased a little more, so that we can compete better. With extra protection we would be able to do more business, and at the same time it would be of benefit to the country, because we would have more labour employed here.

5091. Did you reap any benefit by the last increase of the duty?—To some extent.

5092. It gave a certain amount of work to this country?—Yes.

5093. Will you tell me some class of work in which you are not able to compete with the Home firms?—Envelopes and the things I have brought forward here.

5094. Are you not in a position to do letter-headings?—Not to compete altogether.

5095. You get certain amounts of this work?—Yes.

5096. Do you find merchants send large quantities to English houses which you cannot get?—Yes, but some firms have not done it under the new duty; those who order smaller quantities have given us the chance.

5097. If they gave you the large quantities would you be practically able to do it at the same price?—Only with the protection.

5098. Do you not think there is a possibility we might print the cards in Cape Town at an early date?—I do not see any prospect yet.

5099. You know they are doing high-class lithographing work in Cape Town?—Yes, but this is embossed and cut out, and we have no appliances for that, and there is no encouragement for it.

5100. Are you aware that envelopes are being made in Cape Town to-day?—I was not aware of that; it has not been brought to my notice—not for sale.

5101. Yes?—They do not supply the trade.

5102. I believe so. It is not possible to make paper bags in this Colony, is it?—Not under present conditions.

5103. *Mr. Scott*] With regard to ruled paper, I think that is being made in Cape Town; there are ruling machines for making ruled paper, such as foolscap. Do you wish for an increased duty on ruled paper?—We are able to do ruled paper ourselves, but we cannot compete with the stock ruling, which is done by automatic machines and very cheap labour. Our labour here is so vastly different in price.

5104. Are you asking for an increased duty on stock ruled paper?—On the printed paper. We want letter-paper and bill-heads in cheaper in order to do the printing. We do not need foolscap.

5105. Could you not do the bill-heads here?—Not at the price. I can do the work, and so can the other firms, but we cannot do it at the price.

5106. *Mr. Pyott.*] Not even with 25 per cent. protection?—No. The average cost of labour in the printing trade is something like 60 per cent. of the cost of the job, whereas at Home the average is 25 per cent.

5107. *Mr. Scott.*] What would the tendency be in your trade if the tariff were raised from 25 per cent. to 33⅓ per cent.?—Would it increase the competition?—It would increase the trade, and there would be competition, which naturally keeps down prices so that the consumer will not be affected to the extent anticipated by increased duty. The only thing is we would protect ourselves against the outsiders, and keep the money in the country. In all probability the consumer would pay very little more, if any, on account of the competition locally.

5108. If the tariff were raised, would it encourage apprentices to the trade?—In every way. We should have increased staffs.

5109. Do you not think there would be a tendency to increase your competition against each other, as printers? How many printers are there here?—Three in this town.

5110. *Dr. Viljoen.*] Do you advocate an additional duty on magazines?—No. We do not want to attempt anything of that sort.

5111. Supposing a witness advocated an additional duty of 50 per cent. on all magazines, would you be in favour of it?—I am not in favour of taxing magazines or newspapers.

Tanning and Allied Trades of Boot and Shoe and Harness and Saddlery Manufacturing.

Hugh Falls Reynolds and Arthur Roberts, of the King Tanning Co., examined.

5112. *Chairman.*] You wish to give evidence on the tanning trade?—(Mr. Reynolds). Yes.

5113. Will you state the points you wish to bring before the Commission?—As a tanner, I think a little extra duty on untanned leather is necessary and the duty taken off articles that we import for use in the manufacture of leather; that the Tariff be more or less permanent—that it will not be changed next year or the year after: that preferential railway rates should not be abolished and that the duty on the cheap class of boots and shoes—veldschoens and all the cheap lines that are sold up to about 10s. 6d. a pair—should at any rate not be reduced. I think that is all.

5114. What is the increase you want on leather?—Just a little increase—about 1d. a pound. I suppose that would be about 10 per cent. increase.

5115. The present duty is 12 per cent. and 15 per cent.?—Yes, and I want to increase it to 20 per cent. and 25 per cent.

5116. Is not practically 95 per cent. of what you use for tanning colonial—everything you use for tanning?—Yes, but still we have to import a lot of things.

5117. The evidence is that 95 per cent. of the material is colonial?—That is so. What I ask in regard to the articles we import is only a small thing, but it would be a distinct help to us. The wool washers, for instance, have all their soap imported free.

5118. *Mr. Kayser.*] What length of tariff do you want?—Not less than ten years.

5119. You think ten years should be the minimum?—Yes.

5120. You would not be satisfied with five years?—I do not think so. When you put capital in a business you want some stability to look forward to—if you put down machinery and that sort of thing.

5121. You want the duty on boots and shoes to be retained?—On the cheaper classes.

5122. You think with an increase of 10 per cent. on leather it would not increase the importation of boots and shoes?—I do not think so. For a pair of veldschoens, which takes about one pound of upper leather and one pound of sole leather, that would be about 2d. more on the pair, which would not be much. We would like to see an extra duty if we could get it.

5123. Do you manufacture upper leather?—Yes.

5124. Of good quality?—Yes.

5125. Do you object to telling the Commission the price of sole leather?—About 13½d. We are just turning it out. I might say I was Manager Director for Middlemore in the same business before they went into liquidation.

5126. We have had the evidence that colonial leather is not tanned enough. Is that so?—I have never noticed that. I daresay it was so during the war.

5127. It was stated in evidence that in place of seven months they took three weeks ?—I do not know anything of that. They may do that in the Western Province.

5128. Do you make good leather ?—Quite equal to that imported.

5129. It is not taken out of the pits too early ?—No. It is tanned for four months. We started on the 1st July, and have none for sale yet; we are just going to start.

5130. *Dr. Viljoen.*] It is correct that about 95 per cent. of the materials you use are of Colonial production ?—Yes.

5131. You want the importation of the other 5 per cent. of raw material to be free of duty ?—Yes ; it would be a help.

5132. Did I understand you correctly that you said you wanted the duty on all raw material free ?—Yes.

5133. Everything you want free—hides and everything ?—Certainly. Hides are free now ?—Gambia and other materials are free, but on things like cod oil we pay 15 per cent.

5134. What kind of bark do you use ?—Wattle bark.

5135. Grown in the Colony ?—I have just made a contract with a farmer at Fort Jackson for 100 tons—just down the line that is.

5136. Do you want any duty taken off the partially tanned hide which comes in—the rough tanned hide ?—We must certainly have the duty kept on that or it would cut us out altogether.

5137. *Mr. Tod.*] How long, Mr. Roberts, have you been tanning in King William's Town ?—*Mr. Roberts.*] Six years.

5138. What class of goods do you tan ?—Anything from the veld-schoen up to book-binding leather.

5139. Anything from light sheep-skin to heavy sole leather ?—Yes.

5140. Do you tan harness leather ?—Not at present, but we have been doing.

5141. You curry the leather as well ?—Yes.

5142. You tan and curry upper leather ?—Yes.

5143. Do you use salted hides ?—Dry salted and wet salted.

5144. Not sun dried ?—No ; we prefer the other.

5145 Have you any difficulty in getting the lighter quality hides if you use only salted hides ?—No.

5146. Is it not a fact that the butchers only kill heavy cattle ?—Yes.

5147. How do you get a sufficient supply of light kip leather ?—We get any amount. Thousands of light kip hides go from here.

5148. Are the farmers getting into the way of dry salting ?—Yes.

5149. You have been tanning for six years ?—In King William's Town.

5150. Have you had a steady demand for your products ?—Yes.

5151. Do you find you are able to tan at a profit ?—Scarcely.

5152. What effect do you think it would have on your business if we gave you further protection ? Do you think it would increase it ?—Undoubtedly.

5153. Would you raise your price for leather ?—No ; it is not necessary as long as we get a wider market.

5154. Are there any classes of leather you are not able to produce ?—Yes, pig-skins, enamelled and japanned leather and chamoises.

5155. Is there any class of harness leather you are unable to make ?—No ; there is no class we are unable to make.

5256. The articles you mentioned are specialised in other countries ?—Yes.

5157. For all practical purposes, if the leather is required in the country you can tan and curry about 80 per cent., or even more ?—Yes, I am positive of that.

5158. What labour do you use in your yard—coloured or white ?—We have been using mostly white labour.

5159. Have you been able to teach the black labourer to curry leather at all ?—I have always found the native labour dear, although we have had it at a small price, and it is an utter impossibility to teach them to be of any advantage to yourself.

5160. You really prefer white labour ?—Yes.

5161. Have you had complaints at all in regard to the quality of your leather ?—I have had complaints, but very few—about the hides being badly flayed—but that you get in a great many hides, even those sent from South America to England.

5162. And Australian hides also, I suppose ?—Yes.

5163. *Mr. Scott.*] I suppose you do not advocate the raising of Morocco leather ?—No, I do not.

5164. Leather such as cabinet makers and carpenters use ?—No, I do not advocate that. It can be manufactured here, but the demand is not sufficient. It requires a very expensive plant.

5165. Can you tan belt leather ?—Yes.

5166. Can you do the same class as the English tanner ?—Exactly the same class.

5167. Would it be as good an article ?—Yes, in wearing and every shape and form.

5168. Do you tan a white belt ?—The raw hide belt ?—Yes ; we are not tanning them, but I have done it, and it can be done here.

5169. There is one point about branding. Have you any complaint about the branding of the cattle ?—Of course we have complaint all over the world about the branding of the hides, but I have tanned somewhere about 100,000 to 150,000 hides since I have been in the country, and I have always found them freer from brands than the Australian hides.

5170. As far as your experience goes that is the case ?—Yes.

5171. Have you any suggestions to make on the flaying of the hides ?—That requires some improvement.

5172. I am merely asking if you can suggest any improvement ?—We shall never alter that as long as we have the produce buyers taking the hides without looking whether they are cut or not and paying exactly the same price. Even from the butchers we get the produce buyers taking twenty or thirty hides per day or week as the case may be, and they do not trouble to see if the hide is cut.

5173. You can suggest no improvement ?—No.

5174. Are our Colonial hides suitable for harness making ?—Not the hides round about this district.

5175. Why ?—They are rather badly grown and very badly tick marked.

5176. Can you suggest any means of overcoming that difficulty ?—(*Mr. Reynolds*) All the farmers are dipping, and I think it will undoubtedly overcome the tick.

5177. But the growth of the hide ?—*Mr. Roberts*] You cannot alter that at all, but we are taking hides from the Transvaal which are good enough for any one.

5178. Any other part of South Africa ?—Yes, round from the Queenstown district and higher up than that.

5179. *Mr. Pyott*] You are quite satisfied with the 20 per cent. tariff on leather coming in here ? You are satisfied it will give a chance of increasing your business and practically keeping out the imported article ?—I think it will help. 25 per cent. would be better.

5180. We want the minimum ?—I would like to say 25 per cent. It would be a very close thing ; it is fighting all the time.

5181. That would be sufficient to enable you to compete with all the leather imported ?—Every bit. I think we should shut out the Australian altogether.

5182. You spoke of having your raw material absolutely free. Seeing that you only import 5 per cent., is that necessary ?—It is only a small thing and I would not press it, if it is a pity to press a small thing like that

5183. You prefer a permanent tariff for ten years ?—I think that is very necessary to enable us to lay down machinery.

5184. Do you think with this protection it is necessary to have the preferential railway rate ?—We would not press that if we had the increased tariff.

5185. I think you suggested you would like to continue the duty on boots and shoes under 10s. 6d. ?—Yes.

5186. But not on the higher class goods ?—I do not think we should be able to turn out the higher class goods at present.

5187. What do you suggest on boots ?—25 per cent.

5188. That would be quite ample to meet all requirements ?—Yes.

5189. It has been suggested to us that there are no Colonial hides suitable for leather or harness ?—I should say that is quite untrue. Should you purchase 100 hides for that purpose it would be necessary to take from them 70 or 80 for sole leather so as to have a well grown and clear harness leather. You could not buy 100 hides for that, but should take 70 or 80 out for sole leather.

5190. I understand light leather is required ?—The light hides we get in Kimberley are very suitable.

5191. The complaint is that the hides are not all the same thickness ?—They have to be shaved.

5192. They say this takes away from the strength of the harness ?—*Mr. Roberts.*] It has to be shaved everywhere.

5193. You think that is not correct, and we can make sufficiently good leather here to make harness of equal strength to the English or Australian leather ?—Yes.

Mr. Reynolds.] Far better, because we do not adulterate it. I believe all the Australian leather coming into the country is heavily adulterated.

5194. The colonial harnessmaker says he would not use colonial leather for harness he has to put his name on, because it is not reliable ?—*Mr. Roberts.*] That is not so. The reason people have said that is because with the colonial leather they have used native labour, and it is not done properly and it shows a rough edge when finished.

5195. But the strength is there?—Yes, and in fact colonial tanned leather is stronger than English.

5196. The suggestion was made that the Colonial leather would not bend round a buckle?—My experience is that I have found it will bend round all right if it is prepared properly. I have known of cases—not in one firm only—where there has been a manager over the harness factory and one over the tannery, and he was always against using the Colonial leather, because if he took the Colonial leather he would not receive any commission, but by taking English leather he received a commission from the merchant selling it; and as soon as he got the Colonial leather, instead of bending it with the grain inside he would take it with the grain outside, and hammer it one sharp blow. I have taken English leather and treated it in the same way, and it has snapped like a carrot.

5197. There is no detriment in colonial leather if it is used for harness making?—Not if tanned properly.

5198. Have you had experience of tanning in other countries?—Both in England and on the Continent.

5199. You think you can make equally good leather here from the hides of the country as from those of any other country in the world?—I am sure of it.

5200. *Mr. Harlow.*] In reference to your supply of hides, do you find any difficulty in procuring them at all?—Very little.

5201. From what source do you get them at present?—Mostly from the Transvaal and Kimberley.

5202. Why is it you do not use the local hide?—It is badly tick marked, and then we can buy hides cheaper from elsewhere.

5203. It has been stated to the Commission that the supply of Colonial leather could not meet with the demand for harness making and so forth. Can you supply any amount?—Not at present.

5204. How long have you been in existence?—*Mr. Reynolds.*] I came to this country seven years ago and bought this business, and it was turned into a company under the name of Middlemore. They went into liquidation, and I have started the thing again. The tannery has been going here for thirty or forty years. *Mr. Roberts.*] I had charge of the tannery before Middlemore was running it. I have been working here really for the last six years.

5205. In reference to the morocco and japanned and patent leather, is a great amount of that used in local harness making?—*Mr. Roberts.*] Very little.

5206. So it would be really no hardship on the consumer if a duty was put on that?—No, because so little is used.

5207. In reference to the white labour for the dressing of these hides, do you think, provided there was a competent supply of white labour, you could do all your tanning with white labour?—Yes.

5208. Do you think that would be preferable to the coloured men!—I am positive of that. I have had great experience with both.

5209. It would really be advantageous to the employer to employ white labour?—Yes, and you would be getting better labour; the work would be done as it should be.

5210. From your experience, do you think there is any prejudice against the colonial manufactured leather?—I think many people are prejudiced.

5211. But there are certain classes of leather you can produce here which cannot be produced oversea, are there not?—Yes.

5212. Such as alum leather?—Yes.

5213. That is in great demand by the farmers?—Yes.

5214. What rate of wages do you pay to the white men you employ?—£3 a week is about the average wage.

5215. What proportion of white have you to coloured?—When we are in full swing we should be using quite half; that is, as trade is now.

5216. In the event of a higher tariff being put on, I suppose you could supply the local demand?—Yes.

5217. Would it be at any advanced price at all to the consumer?—Certainly not.

5218. How would you account for that?—In the first place we have to spend over £1000 to lay plant down, and interest has to be paid on that capital. Very often half the pits are empty. Provided, however, that we can get a bigger turnover, instead of its going up in price we should most likely be able to sell for less.

5219. *Mr. Reynolds.*] I think competition would keep the price down. Then we could work in full swing. The Australian places tan perhaps a thousand hides while we tan a hundred.

5220. *Mr. Roberts.*] The kip turned out here is superior to the Australian, but the merchant comes down and says he does not like this and that—it does not look as it should; but when it comes in by the boat he has to take it as it comes.

5221. What is the leather you have with you?—It is made for upholstering. It has been used for book-binding, and the manufacturer reports that it is equal to English in every shape and form.

5222. You would not suggest any extra duty being put on that to supply the market?—No.

5223. Is it morocco leather?—Yes.

5224. Do you think you could compete in that class of work even at the present tariff?—Yes, but it is no use going into the matter of the manufacturing of it because the demand is so small. You can dye it any colour. I have a book here (producing same) which was bound in town from our leather. It contains specimens of this leather in various colours—both the English and our own.

5225. *Mr. Kayser.*] You say you are perfectly satisfied with the present duty on morocco leather?—Yes.

5226. You can compete?—Yes.

5227. Do you know what the present duty is?—About 5 per cent., is it not?

5228. It is free from some countries and 3 per cent. from others. You are quite satisfied to compete?—Yes.

5229. You say you will not make it, because there is very little demand?—Yes.

5230. Are you aware of the fact that in the Western Province all the carts and so on are trimmed with morocco and these enamelled leathers—what they call morocco hides?—There is a japanned buffalo hide used for trimming Cape carts.

5231. Is not that what is termed "morocco hides" on the tariff?—It should not be. Is that a fact? There is no such thing as a morocco hide.

5232. The tariff reads as follows: "Leather: Patent, enamelled, roan and morocco, and pig skin in the piece." That covers the article you call the buffalo hide. You cannot make that article in this country?—No.

5233. That is why you do not compete for the trade?—You can make morocco skins.

5234. For what purpose is this morocco you have here used?—Upholstering.

5235. You will not make it?—We do not think of touching it.

5236. Why have you brought the sample?—Simply to show you that the leather can be made.

5237. But you cannot compete?—No.

5238. Is it too expensive?—No.

5239. Why cannot you compete?—For the simple reason that the plant for turning this out costs a great deal, and it does not do to turn out half-a-dozen skins a day; you want a turnover of 800 to 900 skins a week.

5240. Did you turn out those for samples?—For the show in King Williamstown.

5241. Who were these turned out by?—By Middlemore's.

5242. Why was that place closed?—They had not sufficient demand.

5243. Did they manufacture high class or low class goods?—Mostly low class, such as veldschoens.

5244. You made a good deal of high class goods too—boots and so on?—We made a Blucher.

5245. Were not some high-class goods made for show—a very fine exhibit?—Yes.

5246. These are merely to show what can be made, and not as an example of what can be done to-day?—No.

5247. Why are you not making harness leather?—We have only just started. The place has been closed for at least twelve months.

5248. The suggestion you make is for a higher duty for harness leather as well?—Certainly.

5249. But you are not prepared to manufacture it?—We are going to.

5250. And you feel convinced you can do so to compete if the duty is increased by 5 per cent., as stated by Mr. Reynolds I think?—*Mr. Reynolds.*] I think I suggested 10 per cent.

5251. You have adjusted that?—Yes.

5252. *Mr. Tod.*] You said you did not want the preferential railway rate done away with?—*Mr. Reynolds.*] We would prefer not, but would with extra protection.

5253. You would be satisfied with the protection through the Customs?—Yes, we would; but, of course, in King William's Town we send so much stuff up-country, whereas in Port Elizabeth and Cape Town they use a great deal of it there.

5254. I think I might tell you that at Port Elizabeth the tanners asked for a duty of 25 per cent. on leather?—That is what I asked for.

5255. With the preferential railway rate done away with. Would you support that?—I would not like to see the preferential railway rate done away with, but if we could only get the one by the other being done away with, I should have to be satisfied. It makes so much difference here, because at the coast they use a great deal locally.

5256. I suppose you were encouraged to re-start this tannery because of the reduced duties ?—I did it because I thought we should get extra duty. There was so much talk about it, and I thought if the tanning trade was not to become extinct there should be protection. Then I had the lease of the tannery for 14 years, and thought I should start again on the offchance of getting the duty and making a small percentage on my money.

5257. *Chairman.*] Will you send samples of all the leather you are prepared to make and the prices, because we meet harness and shoe makers, and they say they cannot get the leather in the country ?—Yes ; we will do that.

5258. If you get this protection will it encourage you to export leather ? Do you think you will ever export leather—say to Great Britain ?—I think so. There is quite sufficient bark here to go in for it—that is rough tanned leather, the same as Australian, for instance. What we want first is all frozen meat shut out altogether, so that the farmers will rear young stock.

5259. *Mr. Tod.*] Are you a farmer ?—Yes.

5260. What do you recommend in regard to the meat question ?—We ought to have at least 2d. a pound duty on it, because there is any amount of stock in the country now. The statements that the auctioneers make are lies, and they mislead the people altogether.

5261. What District are you farming in ?—At Dohne in the Stutterheim District.

5262. Are there lots of stock there ?—Yes.

5263. You find difficulty in getting a free market ?—Not here, because little frozen meat is sold in King William's Town, but the butchers do not come down as they used to. Then the natives are gradually pushing the farmers out ; you cannot farm where they are.

5264. Do you make cheese in your district ?—No ; we make butter.

5265. Are you satisfied with the present protective duty on butter ?—I think so. Now the creameries have been shut up we are doing very well.

5266. *Dr. Viljoen.*] As a farmer, your grievance is not against the price of the livestock realised now, but more against the difficulty of disposing of the stock ; is that your position ?—Yes.

5267. Is that the position generally of the farmers ?—Yes.

5268. The difficulty of disposing of the livestock when they are in a fat condition? —Yes.

5269. Is there not a difficulty here that if you have your stock fat and cannot sell it there is the danger of getting them lean again, so that you have to get rid of them when there is no market perhaps ?—Yes. You may drive stock fifty miles, and then find several thousand sheep at the sale and have to give the cattle away.

5270. You say many of the quotations of the auctioneers are fictitious ?—I say that.

5271. Because you know it is so ?—Yes. I have often remarked it.

5272. Are you using the wattle bark—mollisima ?—Yes.

5273. What are you paying the farmer per ton ?—(Price stated not for publication.) We have just made a contract at that price.

5274. Is that ground bark ?—Just chopped. We were paying—(Price stated not for publication)—last year.

5275. You took 100 tons ?—Yes.

5276. You require a great quantity of this ?—Yes. I want to get the farmers to plant more.

5277. *Mr. Harlow.*] Could you give us any idea of the amount of stock there is in this district, approximately ?—In the Stutterheim District I think it is the second largest for sheep next to Barkly, but the King William's Town District is mostly cattle. Sheep you lose because of ticks. If dipping were compulsory we would clear out the ticks and could run sheep again. That would raise the price of land from 10s. to £3 an acre. Our land at Dohne is worth £3 an acre. There are no ticks there to speak of. There is not the tick which gives the sheep heart-water.

5278. Do you think it would be an incentive to abolish the tick if there were more land cultivated, instead of allowing so much grazing land ?—I do not think it would make much difference to ticks.

5279. You think the tick will live in the soil ?—They say ticks will not live on land without cattle on it for more than a year. If the land were ploughed up they would not live.

5280. Is it good soil for cultivation ?—Round King William's Town, but my soil is very poor.

5281. I am referring more to the land between Kei Road and Dohne. Is that suitable for cultivation ?—Only in a few places. The soil is only five or six inches deep. Of course the shallower the soil the better for sheep ; it is sweeter.

Miscellaneous Industries, &c.—Mattress Making.

Ernest Turner, Wire Mattress Maker, examined.

5282. *Chairman.*] You wish to give evidence on what ?—Wire mattresses.

5283. Do you wish for additional protection ?—No, I do not. I am practically satisfied with the protection we have, with the exception of a very few details.

5284. Will you mention them ?—At the present time the bulk of my raw material has a preference of 12½ per cent. against the imported article, which is sufficient to enable me to compete with the imported article with the exception of one or two things which have been left out—that is the mattress keys and buttons connected with wire mattresses. I have to pay 15 per cent. duty on these. There are many items I pay 12 per cent. to 15 per cent. on, but these are the only two I consider should be included in the free list. They are both hardware. The buttons I allude to are cast iron buttons and cannot possibly be produced in the country. In reference to the coir mattresses I am also perfectly satisfied. I also wished to make a statement to the Commission in reference to the manufacture of mattress cases. They are all imported at the present time, because we cannot compete on this side with the imported article, whereas with a little protection we could do so. If it were possible to make them here it would give employment to hundreds of girls. I am alluding to the ticking—if it came out in pieces in a way that we would get an advantage. Now they come out made up. If we import ticking we pay the same duty as on the imported article when complete.

5285. You want it to come in free ?—Yes, that is when consigned direct to a factory, I take it, for manufacturing purposes. Going back to the wire mattresses, there are iron parts for making wood bedsteads. If these were admitted equivalent to free we should be able to manufacture the wood bedsteads in this country and put the wire mattresses on them. At the present day they are all imported.

5286. Are many wood bedsteads imported into this country ?—Not here, but in Johannesburg and Cape Town there is a great quantity of them.

5287. Is there any other point ?—I wanted to allude to what I consider the unfair competition of the combination bedsteads, which embrace both the iron bedstead and the wire mattress. They come out at practically the same freight that I can import the iron bedstead for to stretch these wire mattresses to, and consequently I cannot compete against them.

5288. What would you suggest ?—That differentiation should be made between a bedstead combining a mattress with it and the ordinary iron bedstead.

5289. How would you protect yourself in that way ? Would they get them in separate ships ?—You cannot ; the mattress is part and parcel of the bedstead.

5290. Would they not make them to fit ?—That is a matter for the Customs ; they would soon find whether they were evading them.

5291. Any other point ?—No ; that is all.

5292. *Mr. Harlow.*] Do you not think it would be rather difficult to differentiate between the raw goods and the made-up cases ?—I do not think so. One is invoiced as a mattress cover and the other would come out as ticking, provided it was only allowed on stuff consigned to a factory for manufacturing purposes.

5293. Have you been long in existence as a mattress manufacturer ?—Four years.

5294. You have been able to compete under the present tariff ?—It was a struggle until the last tariff, but at the present day my business is increasing all through. The bulk of my business is done with Johannesburg and Pretoria.

5295. How many employees have you ?—Two white and five coloured. We have coloured boys I am using in preference to white girls for certain work.

5296. You say you send a lot of stuff inland. Have you any complaint against the Railways in any shape or form—regarding the preferential rates, and so forth ?—I do not think there should be a preferential railway rate.

5297. Not for colonial made goods ?—I do not think it is fair to tax the country through our railways at all.

5298. I suppose practically the whole of the material is imported ?—The wood is imported in logs and is cut up here. Sixty per cent. of work in mattress-making is done here in the country.

5299. Could you not obtain colonial timber ?—I do use it, but the quality is bad and the price high.

5300. Do you think you could possibly keep going provided the Customs Tariff was subsequently removed ?—No. I could not compete. If the merchants are willing to consider local industries and use a little sentiment, I can keep going ; but there is very little sentiment attached to it. Unless my price is practically below the landed cost of the other, I have great difficulty in getting in.

5301. Could you suggest any other means, besides the Customs Tariff, of augmenting your turnover?—As it is it is perfectly satisfactory to me.

5302. In every manner?—I cannot say in every way.

5303. Have you any objection to the Commission seeing your factory?—No. I should be only too pleased for anyone to come down. It is in Durban Street.

5304. *Mr. Pyott.*] You want your ticking in free?—Yes.

5305. Not the cases made up?—No. I am importing them now, and it answers my purpose. It is not that I want it, but I am suggesting the means of creating another industry.

5306. You would have no objection to the merchant having the ticking coming in free?—Strongly, because he sells it in the ordinary way of his business and it is not for manufacturing purposes.

5307. What might it be for?—I do not exactly know all the uses, but they sell it in stores by the yard for many purposes besides mattresses.

5308. Your point is that everything for mattress makers should come in free?—Yes, when it is direct to the factory for manufacturing purposes.

5309. *Mr. Scott.*] You said you would like to get the iron parts for wood bedsteads to come in free. What kind of parts are they?—Two iron sides. Both ends are wood, and the iron sides fit in to them. The value would not be much, but they are bulky.

5310. Is it not possible to make that bar in the country—to get the raw material?—No.

5311. It is just an angle iron?—Yes.

5312. Why cannot it be made if you get the angle iron out in long bars? You would only have the socket piece to put on over the end of the bar?—They cannot make them here. The casting is not suitable; it is too brittle. It is malleable casting which is used, and they do not do that in this part of the country.

5313. Our cast iron parts are generally too tough to bore and work?—There is no boring work with this; they just cast them to fit in.

5314. I think it is possible to make the parts here?—I have just tried making the buttons in this country within the last month, but they are most unsatisfactory for the same reason. They cannot possibly be touched; they break.

5315. What are they?—Little buttons fitting on the side of the mattress to hold it on the bedstead.

5316. What are they made of?—Cast iron. It is a malleable casting and they cannot do it here? I also tried to make mattress keys, but there was no strength in them.

5317. Can you get anything locally for stuffing mattresses?—We import the coir.

5318. Is there no grass or other material here?—Grass is used, but it will not take place of coir. There is nothing in the country we can use.

5319. You would not use wood wool, which is largely used?—It is imported.

5320. Your yellow-wood would make beautiful packing for mattresses?—I know the imported is used for pillows, but I have never seen a mattress made of it.

5321. You said your Colonial timber was not suitable for the mattress frame?—Yes.

5322. Why not?—It is not good enough. The quality is wrong. The trees that are grown will not work out at a fair price at all. The only trees we can get from the forest are practically the damaged ones. Those are all we are allowed to get. I think the wood we use is "castie." We use that and it answers very well, but it is too heavy for mattress frames.

5323. It would be stronger and you could therefore make them lighter?—We tried that against pitch pine, which is 1½ in., which is the lightest you can get, and it added 15 lb. to my mattresses which is increasing the cost at once.

5324. Is it not merely a matter of seasoning your local timber?—I am not competent to judge. We have tried many woods and have not got a satisfactory one, except one we use for camp stretchers because it is light wood and yet very strong. If I could get the Colonial wood I would use it in preference to the imported.

5325. You get a preference on the railway of 20 per cent.?—Yes.

5326. You said you would not press for that?—No. I should prefer to see that done away with. I do not think it is fair.

5327. *Mr. Kayser.*] What is the value of mattress keys and buttons?—They are 12s. and 15s. per hundredweight.

5328. How many go to the cwt.?—The buttons I could not tell you. They are a trifle.

5329. Is the duty on them anything?—Not the buttons, but the mattress keys come out expensive.

5330. How much each?—They cost me 2½d. each.

5331. You must pay something to the revenue ?—I think I am suggesting something whereby it can be done.

5332. Is it not possible to make the keys here ?—No. We have tried that. Mr. Glennie here has made them, but they have had to be made of wrought iron, which cost me rather more than 600 per cent. more than the cast iron imported article.

5333. You ask for a duty on combination bedsteads ?—Yes, because they injure the ordinary wood mattress trade.

5334. Practically the whole of the wire to make these is imported, is it not ?—The steel wire, yes.

5335. The only thing Colonial would be the labour ?—Yes.

5336. You said you wanted ticking for manufacture only admitted free ?—Yes.

5337. Would it not be a far more sensible duty to suggest a duty on mattress cases ?—There is one now at 12½ per cent.

5338. The same as ticking ?—Yes.

5339. Would it not be better to suggest mattress cases being higher than 12½ per cent ?—That would not meet the case, because I am anxious to manufacture the cases in the country instead of importing them.

5340. If you raised the duty you could manufacture them ?—And the ticking left at the same rate.

5341. Yes ?—That would meet the case.

5342. It would be class legislation to make it free for manufacturers only. You want the mattress cases to pay a higher duty than the ticking; is not that the position ?—Yes.

Tariff (Customs) Amendments.

Walter Oscar Beauchamp, of Beauchamp, Booth & Co., representing the King William's Town Chamber of Commerce, examined on Tariff Amendments and Parcels Post.

5344. *Chairman.*] You are here to represent the Chamber of Commerce in giving evidence ?—Yes.

5345. Will you state your points ?—In Class III., No. 47, of the Customs Convention, it reads thus :—" Blankets and Sheets, or Rugs, cotton or woollen, or manufactures of cotton and wool commonly used as cotton or wollen Blankets, or Rugs, and cotton Quilts, the single article, in pairs, or in the piece, and Coats, Jackets, or other apparel made of blanketing or Baize, not elsewhere enumerated." Sheets and Quilts are not properly defined, as I understand the special duty was imposed on the several items so as to be an indirect tax on natives, who use the Loom or Unbleached cotton sheets or sheeting, whereas it was never meant by Government that bleached bed sheets or sheeting for European use should be taxed at the special rate, and I would suggest that all sheetings invoiced as bleached sheeting or sheets should come in at the *ad valorem* rate of 15 per cent. That is one item.

5346. *Mr Kayser.*] Bleached ?—As it is, on the loom—before it is bleached cotton sheeting—they have to pay a higher rate. That is the material the natives purchase and use, but the bleached stuff they do not.

5347. *Mr. Pyott.*] You do not want to interfere with the natives ?—No.

5348. *Mr Tod.*] You think that definition will be a perfectly fair one ?—I think so. As it is now, we have great trouble with the Customs in regard to this. Sheeting up to 1s. 6d. a yard—Home cost—to pay extra duty presses very heavily on the European consumer. They are goods the natives do not use.

5349. And also goods which cannot be manufactured in this country ?—Yes. The other item is : " Cotton Quilts, the single article, or in pairs, or in the piece." This was intended to apply to covered, and also to coloured quilts, used by natives, whereas at present it presses very heavily on the European consumer, as the ordinary coloured or covered quilts usually sold in the native trade do not exceed 3s. 6d. Home price. The white honeycomb or white satin quilt, on the other hand, ranges from 4s. to 15s. each, and the down quilts—that is the fancy covered eiderdown quilts—range from 10s. 6d. to 60s. each, so I would suggest that all quilts over and above the cost price of 3s. 6d. each should come at the lower rate, viz. : 15 per cent. *ad valorem.* Now in speaking in regard to this, we have had several cases and have pointed it out to the Customs down below, but they still levy the higher rate as they are mentioned as quilts. They are quilts, and you cannot get away from the fact, but still it presses very heavily on the white population that they have to pay this higher rate, whereas a 15 per cent. *ad valorem* duty would certainly meet the case.

5350. *Chairman.*] Have you any other point ?—Those are the only two points.

5351. *Mr. Scott.*] What duty do the native quilts bear at present ?—25 per cent.

All quilts come under that category at present. If you read No. 47 of Class III. of the Convention, it says: "and cotton quilts."

5352. So you really think you would differentiate between the values of quilts?—Those above 3s. 6d.

5353. Are you troubled with the parcels post in King William's Town?—I have not gone thoroughly into that matter. It was first brought to my notice this morning. We have been troubled to a great extent, because a lot of goods come to this country packed by these agents, and they come to East London and are sent away. Whether they pay the ordinary Customs dues or not is another question I am not prepared to answer. It is a very serious thing, I think, especially to all retailers in this country—that people can get any amount of stuff from Home at practically the same cost as the ordinary trader.

5354. Have you any suggestion to make whereby this can be obviated?—I could give you some suggestions on Monday, but cannot to-day, because I did not take it into consideration.

5355. You will hand in a suggestion on Monday with regard to that?—Yes. (*Vide* statement end of evidence.)

5356. Have you any grievance regarding bespoke clothing?—I have no grievance in regard to that, except of course that it would come in at the same point as the parcels post. That bears on all goods coming out to private consumers.

5357. Regarding the duration of the Tariff, did you pass any resolution in your Chambers regarding the question of the time it should last?—I should say five years.

5358. *Mr. Harlow.*] Does the question of preferential rates affect you at all? Would you like to see them removed?—It does not affect me at all.

5359. Do I understand you would keep the present tariff on all goods used by natives?—I think so. I see no reason why it should be altered. The only thing is that at present it hampers things, as I mentioned here.

5360. It wants classification?—Yes.

5361. And 15 per cent. *ad valorem* would be sufficient?—Yes; that with a rebate of 3 per cent. would make it satisfactory.

5362. *Mr. Kayser.*] With regard to this clause 47 and your suggestion that bleached sheeting should be put in at the ordinary 15 per cent. *ad valorem* rate, I take it you would like the reading of the clause to be "unbleached" in place of "cotton?" You would like the 25 per cent. duty applied to unbleached?—Yes.

5363. Would the consumer get the benefit of the reduction of 10 per cent.?—Yes.

5364. There would be a reduction in the price?—Yes.

5365. Whatever saving there would be in the duty would reduce the price to the consumer, owing to the competition between the merchants?—Certainly.

5366. Your suggestion is that quilts costing 3s. 6d. and under should be rated at 25 per cent., and those costing over at 15 per cent.?—Yes, and that does not interfere at all with the native.

5367. Does it not appeal to you that immediately that was done every merchant with any business intelligence would order quilts worth 3s. 7d.?—I do not think so; 3s. 6d. is the outside price.

5368. It would pay him better to pay 3s. 7d. rather than another 10 per cent. duty?—Practically the highest price is 3s., only I have made the limit 3s. 6d.

5369. Would not your suggestion be more practicable if you made it 5s.?—No.

5370. You do not see the difficulty of the fine margin?—No.

5371. Will you tell us the views of your Chamber as to the preferential rate on South African manufactures? You know, of course, that there is a reduction of 20 per cent. on South African manufactures?—Yes.

5372. Has your Chamber taken that into consideration—as to whether that should be continued? It is one of our terms of reference?—I have not been instructed in regard to that, and I think that would come in later with the other manufactures. I am not a manufacturer at all, and have not gone into the position.

5373. Do you sell any goods manufactured by South African manufacturers?—No.

5374. There are some cases, you know, where you only get the preference if the goods are sent from a South African manufactory, and that would affect you?—Yes, if I dealt with them, but I do not.

5375. *Dr. Viljoen.*] The general *ad valorem* rate has been raised at the last Customs Convention?—Yes.

5376. I believe from 7½ per cent. to 15 per cent. less 3 per cent.?—Yes.

5377. Is your Chamber satisfied with the increase?—I think so, in the present state of commerce in the country. If you could lower it, so much the better, but in the present state of the country I think the Government requires it. That was the feeling.

5378. You think under the present circumstances of the country the *ad valorem* duty of 12 per cent. on English and 15 per cent. on Foreign is a justifiable one?—I think so.

5379. *Mr. Tod.*] I would like to return to the question of the quilts mentioned by Mr. Kayser. You say the minimum price of the down quilts is 10s. 6d.?—Yes, up to 60s.—that is Home cost.

5380. If 10s. 6d. is the minimum, surely there would be no danger in increasing the other limit to 5s., because I am inclined to think that there is the danger mentioned by Mr. Kayser?—I do not think so; the down quilt is another thing altogether.

5381. What is your objection to making the minimum 5s.?—Because it is over and above the ordinary price paid. The native does not pay 8s. 6d. or 10s. for a quilt.

5382. The higher you place this, as long as you are inside the limit of the down quilt, the more likely you are to prevent the fraud in the declaration of value. You think 3s. is about the value of the native's quilts?—Yes.

5383. It would be cheaper at the other end to invoice at 3s. 7d.?—No. There is only an addition of 10 per cent.

5384. With regard to this loom or unbleached cotton, you think that definition would be perfectly right?—Yes, because the things are practically all invoiced; all bleached sheetings you find invoiced.

5385. Could they not put these cheap Kafir sheets through a bleaching process?—No; it would be too expensive. We would like the higher class article to get into the hands of the white people at a lower price, and none of the revenue would be lost for which this tariff was undoubtedly arranged.

5386. *Mr. Scott.*] Would you be in favour of specially rating the Kafirs' quilts, instead of an *ad valorem* duty?—I think if you want revenue at all the natives should pay.

5387. I think so also, but to simplify the Customs collecting the revenue could you not suggest a fixed rate? 25 per cent. on 3s. would be 9d. Would that be a fair proportion, all round, for a Kafir to pay?—I think so, certainly. I think you are taxing right up to the limit.

5388. In your opinion, a rated tax would be preferable from a Customs point of view—that is, so much per article?—I do not think so; I think on the value is all right.

5389. Has your Chamber passed any resolution with regard to travellers; I mean foreign travellers?—None whatever. They have not touched on that point.

5390. Does the foreign traveller get special concessions over the railway for travelling?—He does over the private individual, certainly, because he travels first-class for second-class fare, and he is allowed the extra luggage.

5391. I should have thought your Chamber would have had some suggestion regarding the traveller?—It has never been brought up, as far as I am aware.

5392. *Chairman.*] Are you quite sure of the duty at the present time on sheeting?—We pay it.

5393. The Secretary informs me that white bleached sheeting, as used by Europeans, only pays 15 per cent.?—We have paid it, and written the Customs in regard to it, and they say it is sheeting and must come in in the ordinary way.

5394. Have you considered it from this point of view, that the population here is very different to that in Johannesburg and Cape Town, and you would perhaps find the poorer population in these towns buying similar stuff to the natives. Do you not think it would create a great outcry if you taxed the poor white people by this 25 per cent. and taxed the richer people, who could buy better stuff, at 15 per cent.?—I do not think so.

5395. Do you not realise that the poor white people in Cape Town buy equal stuff to the natives?—They do not here.

5396. I think you must look at it from that point of view—that they do buy a lot of the stuff that the natives buy in Johannesburg and Cape Town. Is there any other point?—No.

Statement by Mr. W. O. Beauchamp *re* Parcel Post Importations.

In fairness to legitimate importers, who pay a licence costing £12, in every case where the annual imports reach the sum of £1,200. I consider that the Customs Department should in some way protect the holder of such licence against the practice of allowing non-licenced individuals to import goods by Parcel Post, Parcel Agency, and direct shipment, on the same and even more favourable terms than those enjoyed by the licence holders.

Whereas in the case of parcels for business houses arriving by Post, the importer is required to show a full text declaration of origin of goods before the 3 per cent. rebate on goods of British origin can be allowed, private individuals on the other hand may obtain the said rebate if only the simple declaration "British" is written on label of parcel.

To remedy this unfairness I would suggest that the same form of declaration be required in the case of parcels for private individuals as for storekeepers, and also that an extra charge of 10 per cent. *ad valorem* with a minimum charge of 2s. 6d. on each parcel or package be levied on all imports by Parcel Post, Parcel Agency or direct shipment for persons other than holders of Importers' licences.

I am in favour of returns being prepared by the Customs Department showing the number and value of parcels imported by Parcel Post for private individuals and for business houses respectively.

EAST LONDON, 19th and 20th November, 1907.

PRESENT:

MR. G. WHITAKER (Chairman).

Mr. C. F. Kayser.	Mr. J. Pyott.
Mr. C. E. Tod.	Mr. J. Harlow.
Dr. A. G. Viljoen.	Mr. G. A. Scott.

Mr. G. Owen-Smith (Secretary).

Agriculture and Horticulture and other Farming Industries.

Francis Ebenezer Leppan and *Henry Thackwray*, farmers, representing the Tarka Farmers' Association, examined:

5397. *Chairman.*] You wish to give evidence on the agricultural industry?—*Mr. Leppan*: Yes, as regards slaughter stock.

5398. Will you state what points you wish to bring before the Commission?—We were sent down here simply to state the opinion of the Tarka Farmers' Association with regard to raising the duty on meat to 2d. a pound.

5399. They wished it raised to 2d. a pound?—Yes.

5400. Is there plenty of stock in that part of the country?—A lot.

5401. Cannot they find sale for it?—Not a good sale.

5402. Are there any other points besides the stock?—Not necessarily. From our point of view we do not consider that any duty should be put on grain stuffs. We think grain should be allowed in free.

5403. There is no grain produced there?—Very little; we get very small crops on the whole. Only about once in seven years do we get a full crop.

5404. *Mr. Tod.*] That is all very well, but what about the Western Province, where they go in entirely for grain? If your association pursues those tactics there is no chance of the farmers pulling together at all. You would let the grain farmer go to the wall?—I would not like to see that, but we go by the price we have to pay for meal.

5405. Do you expect the grain farmer to agree quietly to your duty on meat while you take his duty off the grain? I am afraid you are like many more who go into the question of protection you want it for yourself, and do not want it for other people?—I think you are mistaking me, individually. I think the grain grown all over South Africa is not sufficient to feed the population.

5406. The same argument applied to meat a couple of years ago. Surely the object of a protective duty is to encourage that production. If you take that off, perhaps you will kill the little production there is now—but it is by no means little: as a matter of fact, they export from the Western Province something like 150,000 bags of oats. In regard to the stock, is your country a sheep or cattle country?—Principally sheep. There are several large cattle owners—men with 700 head perhaps.

5407. Your argument is that now the country has sufficient stock we should stop the frozen stuff coming in?—Yes.

5408. You are not prepared to suggest any higher duty than 2d. a pound; will that meet your views?—I would not suggest anything higher than 2d.

5409. But your association is in favour of having 2d. a lb. put on?—Yes.

5410. Do you find the same difficulty in selling slaughter sheep as slaughter cattle, or is there a bigger demand for the one than the other?—It fluctuates. At present there is a larger demand from Johannesburg, and speculators are out our way for cattle.

5411. At the present moment hamels are quite unsaleable, are they not?—Yes; you cannot get any price at all. If you have to spend money on jackal-proof fencing, and then sell hamels at the present price, it does not pay you at all.

5412. *Mr. Harlow.*] You have not a good market for your stock?—No.

5413. Do you think if there were more duty on meat it would give you a better market?—Yes.

5414. I suppose you know that imported meat has gone down tremendously during the last two years? As a matter of fact, it is not more than one-fourth now. You have not felt any benefit from the last tariff then?—No.

5415. Still, there is more South African stock being slaughtered than prior to the last duty being put on?—There is so much more stock in the country. It has increased at such a rate. It must go somewhere.

5416. Would it be a fair question to ask what price you get for your hamels now?—In Johannesburg, 22s. 6d. That is, if we attempt to work straight away by trucking direct to Johannesburg we stand to get 22s. 6d. for good ones.

5417. I suppose the railway rates affect you a great deal?—It costs us about 4s. a sheep from Tarkastad to Johannesburg.

5418. It does not pay you to send them at that rate?—Hardly.

5419. Can you tell me what price they pay locally?—*Mr. Thackwray*: Last stock fair they fetched 16s. for big slaughter hamels.

5420. You think if the duty was raised to 2d. a pound it would give you a better market?—Yes.

5421. What is the weight of a hamel fetching 16s.?—I should think it would run 45 to 60 lbs.

5422. Clean?—Yes.

5423. Are you exclusively pastoral farmers?—We go in for a little agriculture.

5424. Do you produce sufficient agricultural stuff for your own requirements?—No.

5425. Why—on account of drought?—Drought and locusts.

5426. You could not produce any more grain?—I myself have put in this season alone nearly a hundred bags of stuff, and I will not get my seed back—on account of the drought.

5427. You did not make provision for irrigation?—I have bore-holes down, but that does not help with big lands.

5428. *Dr. Viljoen.*] You are in favour of rasing the duty to 2d. a lb.?—Yes.

5249. You know that is a resolution passed by the House of Assembly last session?—Yes.

5430. It would satisfy you if that resolution to raise the duty on meat to 2d. a lb. were carried out?—Yes..

5431. You propose to do away with the protection on all the other agricultural products?—We propose that the duty be taken off grain.

5432. To benefit you?—No.

5433. To benefit whom?—We consider there is not enough grain grown in the country.

5434. Do you know the quantity of oats produced in the country?—I was talking of wheat.

5435. Do you know whether we produce more oats than we require in the country?—I was not aware of that.

5436. Do you know that shiploads of Western Province oats are going from Cape Town? You do not know that?—No.

5437. Still, in face of that, you maintain that we do not grow sufficient grain for our requirements?—I am talking of our past of the country. The other places about there are wanting oats, and cannot get them.

5438. If you want 50,000 bags of oats you can get them in Cape Town. Do you know whether we grow more mealies than we require in the country—I mean within the Customs Union?—No.

5439. Are you aware that the export from Natal will be 500,000 bags?—No.

5440. Are you aware that these mealies are being exported to Europe?—No.

5441. If these facts are correct, your statement that there is not sufficient production in the country is wrong? Do you know anything about compressed fodder?—No.

5442. Do you know we make large quantities of compressed fodder in the West?—Of course, I know nothing about that part.

5443. But you make the assertion here that there is not sufficient production in the country. Come to lucerne. I know, and we have also had it in evidence, that the lucerne farmers have difficulty in getting rid of their lucerne, the production is so large. There are other agricultural products. Do you grow potatoes?—No, not largely.

5444. You confine yourself to meat?—Yes.

5445. You will be satisfied if the duty is raised to 2d. a pound?—Yes.

5446. *Mr. Kayser.*] Do you know the present duty on grain?—No.

5447. You do not know that the duty on mealies and oats is 2s. a hundred pounds, and on wheat 1s.? You ask for the duty on grain to be removed, and that is why I ask this question. You said you could not get a good sale for your stock?—Yes.

5448. What prices are you getting to-day?—Good slaughter hamels are 16s.

5449. Do you not sell cattle?—We do. They were offering slaughter oxen at from £8 to £9.

5450. In this district?—In our district.

5451. Have you tried any other markets?—Through speculators.

5452. The buyers do not come round to you?—No.

5453. You say you go in mostly for sheep?—Yes.

5454. You do not go in for dairying at all?—Very little.

5455. *Mr. Pyott.*] Is there much imported frozen meat comes into this country? —*Mr. Leppan*: From information I can gather, a lot has been coming into the country, but at the present moment I know it has decreased immensely.

5456. You cannot tell me whether any is coming into the East London market to-day?—No.

5457. Do you supply only this market, or the country generally, with fresh meat?—It is passed all round the country through speculators, and putting it on stock fairs. We do not know what becomes of it afterwards.

5458. What is your largest market for the cattle and sheep you produce?—Sometimes we send them to the Bedford district to sell them. We get slightly better prices there, because it is on the main line. Tarkastad is a rather little market. We do not do much there.

5459. I see £20,000 worth of frozen mean came into this country in the six months up to the end of June. You think 2d. a pound on that would keep it out?—We hope so.

5460. You do not think that even with the 2d. a pound they would bring it in? —I am not in a position to say for certain.

5461. What weight bullocks do you get £8 to £9 for?—600 to 700 pounds.

5462. That is about 3d. a pound?—Yes.

5463. So you think 2d. a pound duty will be ample?—Yes.

5464. In speaking of the grain, did you refer to all cereals grown in South Africa or only wheat?—I am afraid I misrepresented that. The matter affecting us is the wheat—the matter we have gathered most information about—and that happens to touch us very closely.

5465. Supposing you took the duty of 1s. a hundred pounds off wheat, what difference would it make in twelve months?—Would it not help the poor man?

5466. You know we grow a lot of wheat in the Western Province. You would not like to ask for protection and leave them out in the cold?—I do not take that view.

5467. You do not want to press that question?—No.

5468. You say you do not make butter or cheese?—Yes.

5469. Is not 16s. a fair price for hamels?—No.

5470. It does not pay you to produce them at that price?—Not on the lines we have to farm on now.

5471. What do you mean by that?—The price of the land is very high. A farm adjoining mine was sold the other day for £4 a morgen. That is a fancy price.

5472. It would not pay to produce hamels on that farm at that price?—No.

5473. Is it an agricultural farm?—The farms in our district are both. Every one has realised that we must sow more sheep food on our lands and feed the stock on it.

5474. What sheep food will you sow?—Chiefly lucerne.

5475. Will you feed the sheep on that?—Yes.

5476. Is there not a danger?—I have not found it.

5477. You have not lost sheep through feeding them on lucerne?—No.

Robert Warren, farmer, representing the King Williamstown Division Farmers' and Fruit-growers' Association, examined on the following statement. (Mr. Dick did not appear.)

We, the undersigned, having been appointed by the "King William's Town Division Farmers' and Fruit Growers Association," to place before your Commission the views of the majority of our members. Would urge the following points :—

1. That the duties at present charged on imported grain and flour be continued.
2. That a reasonable duty be maintained on imported meat, and live slaughter stock.
3. That butter, cheese, jams, and the dried fruit industry should be specially protected.
4. That a preferential railway rate on farm produce is justifiable.
5. That a direct duty on imported grain, meat, and other goods that come into competition with the Colonial article, is preferable to a differential railway rate.
6. That the system of bounties is vicious and demoralising, and should not be resorted to.
7. That this being a young country, all growing industries should be specially protected, to give employment to an increasing population.

CHAS. H. DICK,
ROBT. WARREN.

5478. *Chairman.*] You appear on behalf of the King Williamstown and District Farmers' and Fruit-growers' Association?—Yes.

5479. *Dr. Viljoen.*] Are you a farmer?—I am not farming at present.

5480. You have done?—I have farmed up to within the last eight or ten years.

5481. All your lifetime?—No. I was brought up to the coach-building business.

5482. Do you represent the farmers of Kei Road?—Yes. Mr. Dick and I were appointed to reply to the circular from your Commission.

5483. Do you grow wheat?—Not in our neighbourhood.

5484. But you are satisfied with the present duty on wheat?—Quite.

5485. You know a resolution was passed by the House of Assembly last session to raise the duty on meat to 2d. a pound. Would that satisfy you?—As far as I am personally concerned, I would not ask for a duty, but I think that would meet the views of the bulk of the members of our association, although I cannot see what there is to justify it.

5486. Have you any difficulty in getting rid of your sheep?—No. Our farmers are getting excellent prices, and have been doing for the last ten years.

5487. And you are perfectly satisfied with the prices you are getting at present for your sheep?—Quite.

5488. Have you any difficulty in disposing of them—in getting a market for them?—No.

5489. I ask the question because in some other places we have had evidence that there is a difficulty in getting a market?—It may be the case in other parts, but not in our part.

5490. You mention here butter, cheese, and jams. Do you make those?--Not in our neighbourhood, but I can mention where there are factories, and where it is a growing industry, and that is Griqualand East. There has been a cheese factory established there for some time, which is now in a thriving condition. If that industry is encouraged it will grow.

5491. You know that cheese at present is under the *ad valorem* duty, and you want it to be a specially rated article? You want a special duty on cheese?—I think there should be sufficient duty to enable the Colonial article to compete favourably with the imported article. I do not know what the duty on imported cheese is at present.

5492. Are you talking generally? Would that remark apply to butter and jams too?—Certainly.

5493. And the dried fruit trade?—Yes.

5494. Do you make dried fruit there?—No.

5495. Do you grow fruit?—Only for our own consumption. A few farmers in our neighbourhood sell it.

5496. Are you asking for a duty on dried fruit, because you know it is a large industry in the country?- I look upon it as a growing industry which is recently introduced, but not fully established.

5497. You say a preferential rate on farm produce on the railway is justifiable?—Quite.

5498. And you would like to see this continued?--Quite.

5499. There is a differentiation now?—Yes. I would give a reason for that, if you do not mind, and that is that the production should be encouraged by every means, and the production may become so large that many of the products of the farm will fall in value, and it would not be worth while sending them to market, perhaps, if they had to pay the ordinary rates. That is my own personal reason.

5500. That is No. 4 in your letter. If you read No. 5, you will find it is in direct conflict with No. 4. No. 5 says: "A direct duty on imported grain, meat, and other goods which come into competition with the Colonial article is preferable to a differential railway rate"?—I do not know what the case is now, but I know there was a differential railway rate against imported wheat and imported stock, and I will give an instance where it bore very heavily upon the importers. Some years ago the cold storage people at East London imported more sheep and cattle than they could possibly use. They could not kill and store them because they had not sufficient accommodation. They could have sent them up-country, but the differential railway rates were so against them that those cattle and sheep were a dead loss. They were not taken up-country, and yet we could not supply the demand with Colonial cattle. Being imported stock, they could only send them at the imported rate.

5501. That was only on a special occasion, which may not arise again?—Is there not a differential rate against imported wheat at present?

5502. Yes?--Do you not look upon that as vicious? Why not tax the article direct?

5503. That is your opinion—that if there is any protection it should be levied at the port and not on the railways?—Yes, in a direct manner.

5504. In this you say, "The system of bounties is vicious and demoralising, and should not be resorted to?"—Yes.

5505. Will you please explain that?—I think you will admit that it is a vicious system for any one to depend upon pecuniary aid in support of his industry. Bounties are a pecuniary aid. As an example of the fact that bounties are demoralising, I need only instance the bounties given for jackals' tails. Those bounties are demoralising the Midland farmers. I do not think you would find a farmer on the frontier who would support the idea of giving bounties on jackals' tails. We have as many jackals—perhaps more than in the Midlands—but I have never heard of a frontier farmer from Queenstown to the coast ever trying to obtain a reward for a jackal's tail. I know most of them pay the natives 10s. for a jackal. I know one man who pays £1. If they find a jackal in one of the traps he gives 10s. In Stutterheim, Cathcart or King Williamstown I have never heard of anyone asking for those bounties. I consider the Midland men have become so accustomed to the bounties that it has demoralised them.

5506. You are alluding to a bounty from an inland point of view. There is such a thing as a bounty on an exported article. Are you opposed to that?—Yes. I am quite aware that bounties enabled Australia to establish the butter industry, and Germany to assist the beet-sugar industry, but I look upon it as a vicious and demoralising system.

5507. You apply this to bounties on exported articles, as well as internally?—I apply it to any product of the country—either manufactured or the direct product from the land—whether exported or otherwise.

5508. In No. 7 you say, "This being a young country, all growing industries should be specially protected to give employment to an increasing population?"—Yes

5509. Do you want the protection on the manufacture of articles produced in the country; is that what you mean?—Yes. I would apply it not merely to the products of the farm, but to manufactures—any industry that is springing up and is suitable to the country. There are industries which might be supported, especially under bounties, but which would be quite unsuitable to the country; but I think any industry like cheese-making, bacon curing, manufacturing of leather goods especially—tanning has been choked out of the country—saddle, harness and bootmaking should be specially protected.

5510. Would you apply the protection to industries of which the whole of the raw material is imported into the country? I will give you an illustration. Supposing you want to make a box and you have to import all the wood?—I fully understand what you mean. I think that is what the late Mr. Rhodes applied the term "bastard industry" to. I am alluding to Colonial industries—industries really suitable to the country.

5511. *Mr. Kayser.*] I take it your idea of protection is that you would protect the Colonial industry making use of the Colonial product?—Yes, by a sufficient import duty.

5512. You are opposed to the protection of an industry which uses, to a large extent, the imported article?—My idea is that legitimate Colonial industries of every kind should be protected, with a view of finding employment for people.

5513. That is the very point. What, in your opinion, is a legitimate Colonial industry?—I say if the boxes, for instance, are made entirely of Colonial wood that is a legitimate Colonial industry.

5514. Using the Colonial product?—Yes.

5515. With regard to butter, is there anything that can be done—either through our Customs or through our railways—to assist the butter industry?—I do not know exactly what the present duty is, but I do not think anything more could be done than is done at present.

5516. *The Chairman.*] The duty to-day is 2½d.?—I think it should bear a heavier duty, especially margarine. Margarine should bear a much heavier duty in proportion to its price.

5517. *Mr. Kayser.*] What do you suggest?—If 3d. were put on butter, at least the same amount should be on margarine, which would be a much greater proportion of its value.

5518. The same duty is imposed on margarine to-day as on butter. We have had a complaint from farmers that they could do more in the butter industry if they had better railway facilities?—I am not sufficiently acquainted with the industry to answer that question.

5519. Do you think the farmer would be prepared to pay a little more rail carriage if he had better facilities for his butter?—Certainly, they could pay heavier rail carriage if the imported article bore a heavier duty.

5520. Do you think the farmer would care to pay more?—I do not know; I cannot answer that question.

5521. *Mr. Harlow.*] Speaking of bounties, you made special mention of this jackal's tail bounty?—Yes.

5522. Is there anything else you would like to mention in reference to that?—I do not know that there is. I merely mentioned it as an instance. You certainly had one gentleman in Parliament who I considered was perfectly demoralised on that point.

5523. *Mr. Tod.*] You said very clearly you wished to protect any industry where the raw material was produced in the country?—Yes.

5524. Would you be against protecting an industry like furniture say, where the greatest value of the article is in regard to the labour, which would all be done in this country?—I think there are woods in the country sufficiently good to make furniture that can compete with any imported article.

5525. But of course we may get evidence against that. Will you answer my other question? Even allowing that you had to import the wood necessary, and looking at the fact that the greater part of the value of the article is in the shape of labour, which would be done in the country, would you be against an industry of that kind?—I would not protect such an industry to the same extent as I would protect a purely Colonial industry.

5526. You naturally think that the industries which would use up the raw products of the country would be more entitled to consideration?—Yes.

5527. *Mr. Pyott.*] I think you mentioned box-making. You would not support a protection on box-making?—If the material is imported, certainly not.

5528. But supposing I tell you that 50 per cent. of the value of the box goes in Colonial labour, would you not give the industry a certain amount of protection?—Not the same protection as if the entire article were produced in the country.

5529. Take cart building, where they tell us that mostly all the material required—say in a Cape cart is imported?—I was brought up to that business. Of course the axles and springs are imported. All the other work is done here, and can all be done with Colonial wood. When I was an apprentice there was no foreign wood used.

5530. They tell us here that we have not sufficient wood in the country to produce the quantity of carts required, and that we have to import a certain amount, like spokes and hoods?—I cannot answer that question. I certainly would not support to the same extent an industry where they used foreign material.

5531. Supposing 75 per cent. of the value goes in Colonial labour?—It should not.

5532. You are in favour of retaining the duty on wheat and flour?—Yes.

5533. You do not think that that presses heavily on the stock-farmer to-day; it is not an excessive charge to him?—I think not. I have heard of the Midland men objecting to heavy duties on grain, but I do not think it is quite justifiable.

5534. You think these duties do not press heavily on the stock-farmers?—I do not think so. I look upon them as very moderate duties. I look upon them as sufficient.

5535. Sufficient for protection?—Yes.

5536. Coming back to that question, I suppose 75 to 90 per cent. of your wheat is imported to-day?—Yes.

5537. Do we take that on the same basis as the box-maker or wagonmaker who is importing his raw material?—I merely advocate a moderate duty on wheat, and I would suggest a moderate duty against the imported readymade vehicle, so as to allow them to be built here, but I certainly would not protect an industry that used 75 per cent. of imported material to the extent that I would protect an industry using all Colonial material.

5538. You mean to say you would differentiate between the duties?—Yes.

5539. You said you were getting excellent prices for your stock?—Yes.

5540. What price are you getting for your hamels to-day?—From 20s. to 24s. I would say. They go higher and lower than that. That is in our neighbourhood.

5541. What price for bullocks?—£12 to £16. They go as high as £18.

5542. You think that is an excellent price?—I do.

5543. You are not in favour of the bounties on jackals' tails?—No.

5544. *The Chairman.*] You say you are not in favour of preferential railway rates?—Yes.

5545. Have you gone into the question fully?—I think so.

5546. From a Colonial standpoint?—Yes.

5547. You know there is a big camp at Middelburg?—Yes.

5548. Supposing the supplies for that camp were produced very largely in part of the Cape Colony and the same railway rate was imposed, do you know that the imported stuff would then come in and be sent from Port Elizabeth at a cheaper rate than from George or Oudtshoorn?—Then put a duty on it direct.

5549. Would not that press very heavily on the big centres of population—the coast ports? Have you looked at it from that point of view?—No.

5550. That is so. There is cheap water carriage to Port Elizabeth. We have had it in the House of Assembly that you can send stuff cheaply to Middelburg from Port Elizabeth, and you can have stuff in the Colony in regard to which it is difficult to compete now even with the preferential railway rates?—I have not taken a special instance like that.

5551. *Mr. Kayser.*] I understood you approved of the preferential rate given to the farmer on Colonial stuff?—Yes.

5552. *The Chairman.*] You do not agree to equal rates for imported wheat, meal and flour as against Colonial produce?—When I speak in favour of the preferential rate for farm produce, I mean the produce which goes direct from the farm to the market.

5553. *Dr. Viljoen.*] Whether the market is at the seaport or up North?—Yes.

5554. *Mr. Kayser.*] Do you approve of the special railway rate which has been in force really to assist the export of grain?—In connection with mealies?

5555. Any grain we can export—say oats from the Western Province?—Yes; I think that would be justifiable, because when there is a glut some may be wasted unless there are special facilities.

Building Trades, embracing Carpentry and Joinery, Glass Embossing and Bevelling, Leaded Lights, Lead Pipes, Shop Fittings and Stone Cutting.

Charles Keam, Herbert Batchelor, and *Robert Adams,* Carpenters, Joiners and Builders, examined:

5556. *The Chairman.*] You wish to give evidence on the builders and carpenters' trade?—*Mr. Batchelor*: Yes.

5557. *Mr. Scott.*] Are any of you engaged in saw-milling and planing?—Two of us are engaged in the saw-milling business. We are also builders and contractors.

5558. Do you plane timber at present? I see you ask for 20 per cent. duty. Are you doing that at present?—We plane any timber that is sent to us for the purpose, but most of the timber comes in planed.

5559. You know there is a present duty of 15 per cent., and you ask for an increase?—Yes.

5560. Have you the machinery for planing?—We have planing machinery, but not of the grade we should have if the raw timber came in free and there was a duty on planed timber. With our present machinery we should be unable to compete.

5561. What do you intend doing? Would you put down better machinery?—Yes.

5562. If the tariff was increased?—Yes.

5563. But would not the present tariff of 15 per cent. pay you?—No.

5564. Do you know how much it costs per foot to plane the timber?—I have imported rough timber for the purpose of finding out exactly what the position is, and have planed it; and I have found I get no more for planing the timber than the man does in America.

5565. With first-class machinery could you not plane as cheaply as the man in America?—No, because I have to pay higher wages to the men using the machines.

5566. It may be so, but it is being done in the Cape, and they find 15 per cent. protects them. Do you press that point? You are 5 per cent. higher than the present tariff?—I had not it so much in mind for such stuff as American pine shelving boards, but I would for ceiling boards. I doubt very much whether anyone in this country can plane ceiling boards for 15 per cent.

5567. Have you taken out the figures?—Yes.

5568. And you find you cannot do it on 15 per cent.?—Yes.

5569. You do not know what you can do if you improve your plant?—I have an idea.

5570. Could you manage on 15 per cent. with the flooring boards?—I take it the flooring boards would be just in the neighbourhood of 15 per cent.

5571. You would just come out on those?—Yes.

5572. Are there no advantages to you in planing the timber?—Not if one is doing it in a wholesale manner.

5573. Is it not an advantage to plane the timber when you have no other work to do? Does not that help you a bit?—I take it if a factory is built to do this preparing of work it will be run continuously; there will not be a lot of spare time.

5574. Do you import your own timber?—Some.

5575. So you think you would want 20 per cent.?—As an all-round duty, yes.

5576. In spite of other people who are doing it at 15 per cent.—5 per cent. below you?—Yes. I have gone carefully into the figures, and consider 20 per cent. is necessary.

5577. You have an advantage over the man importing his stuff planed; his boards get damaged, and your boards would be brighter if done on the spot?—I have tried to impress that on people, but they are very careful to reject my stuff if it is in any way damaged, whereas they have to accept it from America.

5578. We are anxious not to increase the cost of living by imposing additional duties. Do you do mouldings and skirtings here?—Not to any great extent.

5579. You have not gone into the figures?—I have gone into the figures of what it would cost. We could not do mouldings at present at 25 per cent.

5580. But after you were established you would have no difficulty in doing it at a slightly reduced rate?—Just so, but I am speaking of the quantity we can get to make now. If the market was restricted so that no more things could come from outside, we could do it with the 25 per cent. by means of the larger machinery and output.

5581. Windows and casings 25 per cent.? Do you require 25 per cent. on all your windows and casings, or is it only in the cheaper made article?—On all.

5582. Are you not able at present to compete against the best made imported article?—No, not under the existing tariff.

5583. I would have thought the cheaper article would have been your grievance.—Of course, I do not know the conditions obtaining in East London.

5584. It is our grievance because we have not had much in the way of high-class joinery to deal with?—Is the bulk of your joinery imported in East London?—Yes.

5585. So you find a difficulty in competing on that account? Do you get a chance of tendering for it in your business?—Just for small quantities where it is out of the ordinary way. I would compete against the imported article, but it is absolutely useless.

5586. I suppose you have not a factory for just making doors and windows at present?—No.

5587. You have more general saw-miller's and carpenter's work?—Yes, preparing joinery work required for builders.

5588. Of course in that case you require a higher tariff, apparently?—We require a higher tariff to ensure that we get the whole of it to do.

5589. If you were manufacturers you could do with a reduced tariff, could you not, in some lines?—I do not think so.

5590. Why do you ask for a higher tariff on shop fronts and joinery and such goods?—In the better woods?

5590A. Yes.—Because there is more labour put into them at the other end, and they are nearly always polished and finished.

5591. That is so, of course, but that rather gives you the advantage I think. I have had an opportunity of seeing the tariff suggested in other places, and I may frankly say you are a little higher, and I also think you could come down at least 5 per cent.?—*Mr. Keam*: I do not think that should be so. I think we can legitimately claim to manufacture a good shop front in this country, and therefore I say if we can manufacture this article we should be protected by an additional 5 per cent.

5592. Of course if you say you want protection, I can understand you, but if you have up-to-date machinery you ought to be in a position to compete at 25 per cent. in the higher grade article—especially in shop fronts?—But with the ordinary run of shop fronts I think they are open to a false declaration of value. We have to consider that as well. 5 per cent. is neither here nor there on a declaration of a shop front running into £400 or £500.

5593. Still, if a shop front has to pay the freight on the bulky packages, you have an advantage. On the cheaper articles I can see you need it?—*Mr. Batchelor*: We separate the glasswork; we are asking for protection merely on the woodwork. These shop fronts are sent out knocked down into a very small compass and are sent out completely polished. In a great many cases they are not very bulky.

5594. I should have thought it would have been rather the cheaper article which troubled you, and not the higher grade; so we are told in other places?—We have in mind the shop front practically all polished at the other end. We have to pay double the cost for polishing that they do.

Mr. Keam.] We have also considered the proportion of labour in the higher grade would be dearer than in the cheap kind.

5595. How much would the labour be?—25 per cent. to 30 per cent. on the ordinary work, and there is 25 per cent. more on the hard wood than the ordinary joinery.

5596. Have you taken out any figures in regard to the suggested tariff, and how much extra it would amount to on a house costing £600?—No.

5597. Can you do that and hand it in later on?—Yes.

5598. You can take the cost of your rough timber, and take your manufactured goods made here, and just show us what it would mean?—Yes.

5599. With regard to doors, you make a rated tariff of 3s., 4s. and 5s. per door?—Yes.

5600. Can you tell the Commission why you suggest a rated tariff?—I have seen these doors made in Canada. The manufacturer there is in a position to get his hands on cheaper stuff than we could manage at this end. He is in touch with the scrap and waste stuff which can be put in.

5601. Does he make the door out of waste stuff?—Not all, but the short pieces.

5602. You are speaking of American doors?—Canadian doors.

5603. Is the door you get in East London a first quality door?—Medium—neither the first nor the last quality; it is in between.

5604. You do not know whether they are firsts, seconds, thirds or fourths?—They are exported mediums.

5605. How does the door come in—knocked down?—Finished, in bundles of five.

5606. Do you know the cost of the six eight two eight door in America?—6s. 10d.

5607. You think you would want a protection of 4s. to make that door?—Not only for the labour but for the advantage the man at the other end has in regard to getting his scrap stuff, which is not available to us.

5608. Can you not buy the same material?—No. I am quite sure our agents would not take the trouble.

5609. Have you tried?—No.

5610. You are not quite certain then?—I have been in Canada, and have seen the conditions under which they are done.

5611. I suppose you naturally fall in with the lines of the New Zealand tariff in making this suggestion?—I know the New Zealand people advocate this, but there is a reason for it in this country.

5612. From what I understand, you cannot make a door unless you get a rated tariff of 3s. to 5s. on each door?—That is so.

5613. Now supposing you were to get this tariff, would it increase your apprenticeships? Would you get the boys to learn the trade readier?—Yes.

5614. Would you turn out better skilled artizans?—We are practically turning out no artizans now.

5615. There is no inducement?—Parents will not send their boys; they say, "You have nothing to teach them."

5615A. Mr. Keam, you say the men have not even to do the thinking in this country?—Yes. I think you will be surprised to hear that there are not forty joiners and carpenters employed in East London; there is nothing for them to fall back on.

5616. How many people would you employ supposing this tariff were adopted? I consider the number of men we had here two or three years ago would have been reached, and in those days there were between three and four hundred joiners here.

5617. You think they would have been retained in such dull times?—Yes. Personally, I felt inclined to go in for plant and machinery, but did not see where I should come out.

5618. You contend that the present tariff is no inducement to you to put down machinery?—Yes, and the article landed at East London is practically the cheapest article that could be procured.

5619. The other witness said you had a difficulty in competing in the higher article?—I should differ with Mr. Batchelor, because I have known of windows and other things in several instances where we have had to expend 15 per cent. to 20 per cent. to put the imported frame into order. I could not use the frames. They are fourth or fifth rate articles, in fact I think South Africa is practically the dumping-ground for the bad stuff.

5620. It is in the cheaper joinery, and not the higher class articles that you cannot compete?—If any of these doors were exposed to the rain or sun they would go to pieces, and therefore I think with the protective tariff we ask we would turn out an article which would be beneficial to the consumer, because I contend one door would outlive three of the present stock doors.

5621. The public would get a better article, even if they paid more?—Certainly. They would gain in the long run.

5622. If you had this tariff could you lay down machinery?—I think so if we could have apprentices to help the fully trained men.

5623. *Dr. Viljoen.*] Did I understand you to say you could not compete with the American article because the wages were so much higher here than in America? —*Mr. Batchelor*: We cannot compete for another reason—that in importing our raw material we have to import about one-seventh more of bulk which is lost in planing.

5624. Did you say the high wages was one of the causes?—Yes.

5625. Do you consider the wages here higher than in America?—Yes.

5626. Of course you would be surprised if people made a contrary statement?—I have been paid wages in America and here.

5627. Have you made any shooks?—No.

5628. Fruit, candle or soap boxes?—No.

5629. Why do you ask for 15 per cent. if you do not make the article?—We consider we should have an opportunity.

5630. You have had it for the last eighteen months, and yet you have not started making these things?—There is no demand in this particular neighbourhood.

5631. Do you know at King William's Town there was a demand, and they could not have them made locally?—They have never approached us about it.

5632. Because you did not make it perhaps. If you made these shooks for which you ask 15 per cent., would you make them of Colonial wood?—No.

5633. Imported wood?—Yes.

5634. You are asking us to raise the tariff from 12 per cent.—this is for British goods, of course?—Yes.

5635. You ask for it to be raised 8 per cent.?—Yes.

5636. You have not made a calculation of the difference in a house costing £500 or £600?—No.

5637. Do you think the building is going to be cheaper for the poor man?—No.

5638. Do you think it will be dearer?—Yes.

Mr. Keam.] I disagree with Mr. Batchelor.

5639. In regard to these articles enumerated by you, for which you ask protection—"rough and sawn timber," etc., am I to understand that this is Colonial or imported wood?—*Mr. Batchelor*: In the bulk imported wood.

5640. Have you any idea how much will be Colonial wood?—In the building and joinery trade, very little.

5641. Practically nil?—Yes.

5642. There may be a few of these things of Colonial wood?—It would largely depend what care was taken by the people who have the timber to produce it.

5643. How many men do you employ?—The number is constantly varying.

5644. Approximately?—At present, ten.

5645. How many are Europeans?—All. I also employ Kafirs as labourers.

5646. For the rough work?—Yes.

5647. *Mr. Kayser.*] You mentioned that you had studied the tariff in New Zealand?—No.

5648. On what do you base this tariff?—On my own figures.

5649. Do you know what the duty is on this class of goods in Australia?—I could not say offhand. I believe there is a prohibitive tariff.

5650. Do you know what the duty is on raw material. For your information I may state it is 1s. 6d. per 100 super feet on rough timber?—I believe they have all the raw material they require.

5651. And that is why they ask for protection? In New Zealand, for your information also, I may tell you the tariff is higher than that. There the duty on sawn timber is 4s. per 100 super. feet, which is ½d. per superficial foot, and the duty on a door is 2s.—48 cents. You say you intend to use in your manufactory, or do use in your factory, imported timber almost exclusively?—Yes.

5652. So that getting, as you suggest here, the rough timber free of duty and 25 per cent. on the majority of the articles, you get a very extensive protection?—We have a good deal against that, in the first case, by the extra bulk of the material we have to import for any particular job. With flooring boards we have to plane away one-seventh of them before they are turned into boards. We have to pay the carriage on this.

5653. Why?—To get a ⅞ board you have to plane both sides, and it requires an eighth to plane off.

5654. Do you get any advantage in freight in importing in the rough?—No. The freight is against you.

5655. As a matter of fact, planed flooring does come out at exactly the same freight?—That is per cubic foot?

5656. Yes. Do you know the rate of freight on rough timber from the Baltic?—About 65s. per standard.

5657. And joinery?—90s. per standard.

5658. So that you have, roughly, a protection of 25s.?—Yes.

5659. What does that amount to per superficial foot?—About 2d. a cubic foot.

5660. Is there a difference in the freight of the rough and manufactured article from America?—I have known the joinery to come in at a lower rate than the rough material.

5661. Is it so to-day?—No. It is 25s. against 23s. 9d.

5662. I think you are wrong in those figures?—I am quoting New York, August 1st.

5663. There is only about 2s. 6d. difference between doors?—It has been the other way round.

5664. Many years ago, I suppose?—No, in December, 1906. The freight on doors, windows and sashes was 20s., and on lumber 22s. 6d

5665. What is the imported door of 1⅝ in. sold for?—12s.

5666. You suggest about 30 per cent. on the selling price?—Yes.

5667. That would make the door very much more expensive to the party using it?—Yes.

5668. Who would be the most affected by the increase in the price of the cheaper class doors?—As far as this place goes, they seem to be used pretty well all round.

5669. You do not make a better class door for the better class houses?—No.

5670. Then the artizan would not be affected here?—No.

5671. You made a remark about a declaration of value in regard to shop fronts. Will you explain that?—A firm in England manufactured shop fronts, and sent them to their own people, and you could not say whether the declarations were correct or not. Some people might take advantage of the opportunity; it is trusting a lot to human nature.

5672. We had evidence this morning, where a witness wanted a declaration of this sort, that people would not do this?—I think it should be guarded against. I think if there is any doubt it should be referred to experts as to the value.

5673. If the Customs to-day have any reason to think an invoice is not properly declared, they have a perfect right to call in valuators, and I believe they do it?—This is probably one of the most difficult points in the whole of the Convention.

5674. I could not quite follow you in your argument as to why you ask for an extra 5 per cent. on shop fronts and joinery manufactured from hard woods?—We claim that it is against us, because these harder woods require more labour, and as a rule they are sent out here polished.

5675. But the same applies at the other side, does it not?—Yes, but the labour is half the price. They come from England very often.

5676. The oak and walnut would probably be shipped from America to England first?—Yes.

5677. So that they would have to pay freight twice?—Yes, but generally it is very little more.

5678. You have said labour in America is less expensive than here?—Yes.

5679. You know that from actual knowledge?—Yes.

5680. *Mr. Harlow.*] What rate of wages do you pay here?—At the present moment 1s. 6d. Until the first of this month it has been 1s. 9d.

5681. Is that a mutual arrangement?—Yes.

5682. What has been the cause of the reduction?—Reduction in the amount of building, and constant cutting down of price.

5683. Supposing you get this tariff you are asking for, will there be any tendency to raise the wages?—I do not think so.

5684. You reduce the wages, and you admit the cost of living will be higher, anl you say there will be no tendency to raise the wages?—I have not gone into the question.

Mr. Keam: I think we have not reduced the wages here ourselves; conditions caused the men to reduce them. Even men in connection with the trades union found it so difficult to get work that, rather than take assistance from the benevolent funds, they were prepared to accept lower wages.

5685. Mr. Batchelor said there would be no tendency to raise them again. You state, "Leaded lights, glass shelves, bevelled mirrors," and so forth, 30 per cent. Why 30 per cent. on those?—They can be manufactured in the country.

5686. In your hard wood you suggested 30 per cent. Would it not be better to have a rated tariff rather than an *ad valorem* duty?—No; I think it is too difficult to do it in that form. I do not think it is possible to measure up joinery and get it in cubic feet.

5687. You think 25 per cent. on windows and casements would give you an opportunity of making them here, and also skirtings and mouldings?—Yes.

5688. Although you have not the machinery to make them?—We have machinery to make windows and mouldings and skirtings, but not of the style we should use if we had a larger output; we only get the fag ends of business.

5689. If the imported article were prevented from coming in, could you meet the demand without raising the cost?—Yes.

5690. Do the preferential railway rates affect you at all?—I think not.

5691. Would you prefer to see them taken off or to remain as they are?—I should not mind which way it was.

5692. Supposing this tariff was placed on these articles, and was to be in force for a matter of five or ten years, would you then be able to compete if it was taken off again?—No.

5693. Do you think there could possibly be any way of meeting your requirements without a Customs tariff?—I do not see any practicable way.

5694. Have you considered the question of bounties on Colonial manufactures? —I prefer to see the tariff.

5695. *Mr. Kayser.*] You are aware, of course, that there is a railway preference?—Yes.

5696. Do you know the amount? You do not know you get 20 per cent. reduction on the railway carriage for South African manufactured goods?—I know it is in that neighbourhood.

5697. You would have no objection to that being withdrawn?—No.

5698. It would not affect your trade?—Not to any great extent.

5699. You do not do any trade with the North Kimberley, for instance?—No.

5700. *Mr. Tod.*] Have you been long in business in East London, Mr. Keam?—Between five and six years.

5701. Therefore you were in business before the present tariff?—Yes.

5702. Do you find any benefit from the present tariff?—I was interested more in general building. I found it paid me better to keep outside the joinery work, because of the competition between the saw-millers, as I found I could get the wood done cheaper even than by putting down machinery myself. I only retained a few necessary machines.

5703. Is the Commission to understand that no protection is required for this? —Certainly not.

5704. Did you not get a protection in your business?—A slight increase on some things, but it did not affect the building trade here generally.

5705. I understand from you the present tariff is a revenue one—that it has not led to any tangible increase in your business—to any increased manufacture in the Colony?—Yes.

5706. Do you think if the tariff were adopted as you suggest it would mean an increase for you?—Yes. I should put down machinery at once.

5707. Would it mean much increase in the price to the consumer?—Certainly not.

5708. Can you say why?—I think the consumer would reap the advantage in a better article. It might cost him a trifle more than the imported article at the present time, but my experience is with the present importations that at the end of six or twelve months the consumer has to pay a considerable amount to put these things in repair again.

5709. In connection with that we will take these cheap doors—1⅛ in. and upwards. Supposing the protective duty were put on, do you think these doors would be manufactured here?—I feel confident of it. I would not advocate cheap labour, but it would encourage apprentices to come into the joinery works, and naturally the men would benefit to a certain extent after the first year or so.

5710. Do you know the cost of a door of 1⅛ in. landed here duty paid under the present tariff?—I think somewhere about 6s. or 7s.

5711. You propose a duty of 3s. on that?—Yes.

5712. That would not all be additional duty, because there is already 15 per cent. Your suggested tariff, we will say, would add 2s. 6d. to that?—Yes.

5713. Do you think you could make a door at that price?—I think with up-to-date machinery and with apprentices. I certainly advocate apprentices; I do not think you could do it without apprentices in connection with your joinery work.

5714. You do not think that as these industries are developed in the Colony there will be a tendency to employ coloured and black labour and thus put out the white man?—Not in East London. In six years I have not known a black mechanic employed.

5715. You know they employ them elsewhere?—I have noticed it particularly in Cape Town and Durban.

5716. I suppose you have carefully considered this report of yours? You do not think a less duty would answer the purpose?—No. We have gone into the thing carefully, and I think you will admit we have not put forward a prohibitive duty; in fact, in some instances, as Mr. Batchelor said—especially in regard to ceilings—we should scarcely come out, and then in connection with flooring we might come out.

5717. Is the price of skilled labour in this country so very much higher than in other countries where these things are made?—I would not like to answer that.

5718. Is it not the case in regard to articles like doors that the cheapness is owing to the fact that they are specialised—that they are made in large numbers with up-to-date machinery? Is not that the explanation?—Yes.

5719. Do you think it is likely that we in South Africa will ever have the class of machinery you require in order to compete?—It will be a bad thing for South Africa if we do not.

5720. That is one of the objects of recommending this duty—that we are in as good a position to manufacture as other countries in a cheap way?—I think so.

5721. *Mr. Pyott.*] Did I understand that this is to be the minimum tariff?—Yes.

5722. And you propose something higher for a foreign tariff? Supposing you got your timber from Sweden it would be 3 per cent. or 5 per cent. higher?—Yes.

5723. You have taken that into consideration?—Yes.

5724. Do I understand the dressed timber combines flooring and ceiling?—Yes.

5725. 20 per cent.?—Yes.

5726. You want to increase wood boxes and staves to 20 per cent.?—Yes.

5727. For what reason?—I take it they would largely come from Sweden.

5728. No; they come from England in big quantities. You wish to increase this by 3 per cent. Have you any reason for that?—They come from the Baltic.

5729. Wood boxes are made in England and shipped here in large quantities?—I do not think they come here. Most that we see here come direct from the Baltic.

5730. I suppose you are aware that the sawmills are competing even now. Is there any reason why you should make shooks any higher than they are to-day?—We have gone upon the basis of what is the least price they can be produced at. We are under the impression that, to do the work on the figures on which we have worked, such a tariff is necessary.

5731. I see you are very strong on the tariff being fixed for ten years. I take it this is to enable you to lay down machinery for this work?—Yes.

5732. You would not do it if it was for two years?—No; the machinery is too expensive.

5733. *Mr. Scott.*] Do you press for this duty on shooks?—No.

5734. Take a six eight two eight door: do you know what that costs to import here?—50 per cent. on 6s. 10d.

5735. What does the importer get for the door?—12s.

5736. He gets about 33 per cent. profit out of it?—I believe that is about it.

5737. You have had no experience in the door question from a manufacturing point of view?—We have never touched the manufacturing of doors. This is what I have seen in other parts.

5738. All you contend is that with this tariff the people will get a better article?—Yes.

Cart, Carriage and Wagon Building.

John Greenfield Boyd, of Sargent and Boyd, Cart and Wagon Builders, examined.

5739. *The Chairman.*] You wish to give evidence on wagon-making?—Yes. I put in a written statement. The following statement was handed in:—

1. On springs, axles, bolts, nuts and axle bushes, free.
2. Fashioned wood parts—as spokes, naves, shafts, poles, rims, bows, 12½ per cent.

Note.—I consider that this duty is quite sufficient as the woods required are not grown or bent in this Colony.

3. All two-wheel vehicles painted and trimmed or untrimmed and unpainted, £10 each and 10 per cent. *ad valorem.*

4. All four-wheel vehicles painted and trimmed or unpainted and untrimmed, £10 each and 10 per cent. *ad valorem* up to £50, and 40 per cent. on all 4-wheel vehicles over £50 value.
5. Hand carts, 40s. each and 10 per cent. *ad valorem*.
6. All carriage, cart and wagon bodies, 50 per cent. *ad valorem*.
7. Wheels, £3 per pair.
8. Front under-carriages and fashioned parts of ironwork, 40 per cent. *ad valorem*.
9. All hoods or tops for vehicles, £2 each.

All finished carriage trimmings, 60 per cent. *ad valorem*.

5740. *Mr. Kayser.*] What difference in the cost of these imported vehicles would this suggested increase make?—Just the extent of the duty.

5741. Is that about the difference now between your selling price and the imported article?—Yes; that is how we arrived at it.

5742. So the farmer or townsman buying the vehicle would have to pay that much more for his vehicle?—Yes, but he would get a better article.

5743. But he would have to pay more money if he wished to ride in a two or four-wheeled vehicle?—Yes.

5744. Why do you suggest 40 per cent. on vehicles valued over £50?—The other percentage would make us very little difference in a large carriage. That is how we arrived at it.

5745. Can you say what 40 per cent. would mean on a victoria? What is a victoria worth in England?—About £120.

5746. And 40 per cent. on that is £48?—Yes.

5747. You seriously suggest a duty of £48 on a victoria?—Quite so.

5748. It would be impossible for you to compete otherwise?—Impossible; we could not do it.

5749. How many victorias do you think, roughly, are in use in a town like East London?—Twenty or thirty, I suppose; that is if you take the proper victoria.

5750. That would mean £960 in duty?—Just so.

5751. How many men would you employ to make twenty victorias?—In what time?

5752. Any time?—Say three men. There are six different branches in the trade, you must remember. You cannot get a man to start and finish a victoria.

5753. How many men would you require in your shops to make those twenty victorias in six months?—About forty.

5754. For the sake of forty men you would like the Colony to pay £960 in duty—an average of £24 apiece. Do you think that would tend to make manufactures go ahead in this country?—I cannot say that.

5755. The object of asking for a duty is to increase the manufacture, is it not?—Just so.

5756. And do you think a duty of this prohibitive nature would tend towards the manufacture of our vehicles?—Certainly.

5757. Do you not think it would make a man walk?—No. I do not think the difference in price would matter to a man who buys a victoria.

5758. I see you suggest a minimum on hand-carts of 40s. Can you tell me what are they sold at to-day?—We get them at from £3 to £8 or £9.

5759. You would have 40s. then imposed on the cheaper hand-carts?—Yes.

5760. On a handcart costing £3 you would want, roughly, 66 per cent. in duty?—Yes.

5761. This would mean that no hand-carts or vehicles could be imported?—That is so.

5762. That is your intention?—Certainly.

5763. Can you tell me how you would suggest the Government should make up the loss in duty they are getting to-day on the imported vehicles?—I cannot tell you that.

5764. Do you think the increased number of men employed would spend the money in the country?—Yes, in the carriage building trade especially. It would employ an enormous number of men in this country.

5765. You seriously think the loss of duty to the country would be made up?—Yes.

5766. Have you studied the question?—Not seriously.

5767. What is the duty to-day on fashioned wooden parts? You suggest 12½ per cent.?—Yes.

5768. It is 15 per cent. to-day?—Yes.

5769. Your suggestion is, I take it, that it shall remain the same?—It has been mentioned that there is likely to be started, or there has started—we have had no notice of it—a timber bending business in Cape Town. If such were opened I should say put the duty up to 20 per cent. or 25 per cent.

5770. What about the rate of freight you would have to pay round here? Would you be prepared to pay that?—Yes. I think they could do it cheaply enough in Cape Town.

5771. And you would get the goods round from Cape Town?—Yes.

5772. You would not start a factory here?—I do not say that.

5773. You are simply putting on what you take off in that case. You suggest that springs and axles should be let in free?—Yes.

5774. Cannot you make those here?—They could be made, but they are not.

5775. We had it in evidence only yesterday that they could be made here, and in fact they wanted protection in order to make them?—I never heard of the place.

5776. You do not think they could be made? They are not at present as far as I know.

5777. Could not the springs be made?—At a price, I suppose.

5778. I suppose they could be made if you got something like the duty you suggest on carts? Have you studied the question of freight from the other side on these vehicles?—No.

5779. Have you imported vehicles?—Yes, from England and America.

5780. Cannot you tell us what the percentage is to import them?—About 20 per cent. I should say.

5781. That is for freight alone?—Yes.

5782. Would that cover it?—Yes, I think so.

5783. But you do not remember exactly?—I am not sure.

5784. You know, of course, that there is a duty to-day on second-hand vehicles of £10?—Yes.

5785. You do not suggest that that should be altered?—I do not think so.

5786. You think that should remain, and the new vehicle should be the same? —Yes.

5787. Can you tell me why you suggest £10 for both two and four-wheeled vehicles?—Up to £50 that is. The two and four-wheeled vehicles are practically the same if you take English and American vehicles. They are principally American vehicles.

5788. Can you tell us the price at which two-wheeled American vehicles are imported?—From £9 upwards.

5789. Would you make an article of that description?—Yes; I would make anything.

5790. You do not think it is of too flimsy a nature to make?—I do not say it would be exactly the same; it would be a stronger thing than that. We can make a cheap two-wheeled vehicle.

5791. What would be the cheapest two-wheeled vehicle you could make?—About £16 I suppose.

5792. So the price would be increased to that extent? With regard to timber, cannot you use any Colonial timber for the manufacture of vehicles? What do you do with Colonial timber?—It is probably used in wagon-building.

5793. You have not made any suggestion in regard to the wagons, except they are four-wheeled wagons, and they would have to pay a high duty?—They cannot make wagons outside this country.

5794. As a matter of fact, you could compete if there was no duty at all?—Yes, with the Colonial timber.

5795. Is it impossible to use Colonial timber for carts?—Quite.

5796. Is assegai no good?—No.

5797. Why?—There is no spring in it. It is all right for a wagon spoke, but will not do for a cart spoke.

5798. Must the factory in Cape Town import the wood?—Yes.

5799. Stinkwood would be no use—even for poles?—I think that could be used.

5800. Do you use it in making carts?—Yes.

5801. But you do not want protection?—There would not be enough of stinkwood.

5802. As a matter of fact, you cannot get sufficient Colonial wood to make carts: is that your contention?—At the present time we cannot.

5803. Is it being grown? Do you know of any being planted?—There is plenty at Knysna, I suppose ironwood for wagon-building, but ironwood is not used for carriage-building.

5804. Do you import any Australian timber? We have done for carriage building.

5805. Can you get it cheaper than the Colonial?—Yes

5806. Give us the price per cubic foot at which you can buy Australian timber? For about 5s. 6d., landed here.

5807. That would compete with what sort of Colonial timber—stinkwood?—For wagon work.

5808. Cannot you get any for cart work?—That timber is suitable for carriage or wagon work.

5809. You have made no suggestion for the duty on timber?—If they do bend and make spokes they will require to import the timber, and I should say that should come in free.

5810. Do you get any preference in the railway rates?—I do not think so.

5811. You would have no objection, if you do get any, to having it removed; it does not affect you?—I do not think it affects us much.

5812. *Dr. Viljoen.*] Roughly, the Colonial buggy would cost about £6 or £7 more than a similar imported article?—Yes.

5813. But the durability of the Colonial article would be twice that of the imported article—perhaps more? Yes, so that a man would get double the value.

5814. How many men do you employ?—Eight white men and two Kafirs.

5815. What do the Kafirs do?—They are strikers—labourers.

5816. *Mr. Harlow.*] Do you wish to press for springs, axles and iron fittings to come in duty free?—Yes, because we cannot get them in the country.

5817. But we want revenue?—On American stuff there will be 3 per cent.

5818. Do you think that is sufficient protection against the English manufacture?—Yes, I think so, on springs, axles and so forth.

5819. With regard to the fashioned spokes, naves, etc., does that apply to all classes of carts, and so forth?—Yes, except wagons and carts for the conveyance of goods.

5820. Would you be surprised to hear that they are making carts out of Colonial timber to-day?—No.

5821. If one can do it, cannot they all?—The bodies could be made, I should say.

5822. No; spokes and naves. You were not aware of that?—You can make them of anything, but they are not always suitable.

5823. *Mr. Pyott.*] In clause three you say £10 each and 10 per cent. *ad valorem* on two-wheeled vehicles. You do not want the 40 per cent. on those, only on the four-wheeled vehicles?—Four-wheeled vehicles over £50.

5824. Do you not think your tariff is rather high at 40s. each and 10 per cent. on handcarts?—No, I do not think so.

5825. Would it make the importation prohibitive?—I want to prohibit them from coming in.

5826. For how much could you make a hand-cart like that?—That they sell for £3.

5827. Yes?—About £5.

5828. So you do not really require the 40s. and the 10 per cent.?—That is £5 roughly.

5829. You want 50 per cent. on carriage, cart and wagon bodies?—Yes.

5830. Do you mean bullock wagons?—Any sort of bodies.

5831. Why do you want to include bodies when they are not made outside this country?—There are light American wagons imported here.

5832. We take wagon bodies to be bullock wagons?—I principally mean those, but they do import light American wagons.

5833. It is necessary to have 50 per cent. to keep those out?—Yes.

5834. You say "all hoods or tops of vehicles." Can those be made here?—Yes.

5835. You would import the bows and leather?—Yes.

5836. What do you mean by finished carriage trimmings?—They import cushions, etc., to put in the carriages.

5837. *Mr. Scott.*] With regard to the Knysna timber, I understand it is a question of freight which affects the price?—Yes; it is heavy.

5838. Do you know the freight from the Knysna to here?—No.

5839. You would use Colonial timber wherever you could?—Yes. It is used wherever possible.

5840. Is it best?—For the heavy wagons it is better.

5841. You do not know the preference on the railway?—No.

5842. Do you send many goods up-country?—No.

5843. Not to Kimberley, for instance?—No.

5844. So that is the reason you do not know the conditions which affect your trade on the railway?—Just so. You see there are too many imported American wagons.

Confectionery, Jam and Preserve Making.

James Anderson Wilson, of Wilson & Co., Manufacturing Confectioners, examined.

5845. *The Chairman.*] You wish to give evidence on confectionery?—Yes. I put in a written statement. The following statement was handed in:—

	Present Duty.
Labels and Printed Matter	25 per cent.
Caramel Colouring	25 „
Glucose	3 „
Gelatine	3 „
Paper	15 „
Unsweetened Chocolate	2d. per lb.
Desiccated Cocoanut	3 per cent.
Gum Arabic	15 „
Sugar	3s. 6d. per 100 lbs.
Refined Sugar	5s. 0d. „
Oils ...	25 per cent.
Powders Colouring	15 „
Essences (over 3 per cent. P.S.)	£1 per gallon.
Boxes	15 per cent.
Essences (under 3 per cent. P.S.)	25 „
Cocoa Butter	2d. per lb.
Almonds	2½d. „
Ginger	2½d. „

5846. I see you do not want any alteration in the present duties?—Not unless you alter the duty on the raw material.

5847. Have you any proposition to make regarding the raw material?—No; I do not see any use in altering the raw material.

5848. Do you suffer at all from the bounties in the O.R.C.?—Very much.

5849. In what way?—Their coming to our doors and taking trade away from us. We cannot compete, owing to their 1d. a pound bounty.

5850. Do you know the quantity which comes here?—No, but I see it in the Colony.

5851. In East London?—Not down here, but Queenstown and Aliwal North.

5852. In the six months ending the 30th June £582 worth came into the Cape Colony, and we sent £5,781 worth from the Cape Colony into the O.R.C. Do you think that interferes very much with you?—That should not.

5853. We had £55 worth of jams from the O.R.C. and have sent them £1,390 worth?—I suppose the £582 worth which was sent us included sweets from Bloemfontein to Aliwal North and carried on the Cape Government Railways?

5854. Everything?—I do not mean consumed in the Cape Colony, but carried on the C.G.R. back to the O.R.C. again. They carry goods from Bloemfontein to Aliwal North, and back again.

5855. It does not include things going into the O.R.C. Do you not think there is sufficient protection by their having to pay railway carriage?—They get it in at practically the same price as we.

5856. They have to pay carriage up and carriage down again?—So could I if I got 1d. a pound bounty.

5857. You do not want to have an advantage over them for their own trade?—No; I want it on the same footing.

5858. For their own trade?—Yes. To-day you have the principal ingredient in sweets—that is sugar—in Bloemfontein cheaper than we can land the finished articles. That is by using Natal sugar.

5859. They have to pay railway carriage on the sugar?—Yes, but the tariff is third class rate, and the finished article is carried to Bloemfontein at the second class rate.

5860. Do you not think the raw material ought to be carried cheaper than the finished article?—Up to there do you mean?

5861. Yes?—I have nothing to do with that.

5862. Do you think all the manufactories should be at the coast ports?—No, but they should get a certain advantage.

5863. You would say to Johannesburg, for instance, should be carried for nothing, because labour is so much dearer than at the coast?—No.

5864. *Mr. Tod.*] Still, you are against the principle of giving bounties. You recognise that if they give 1d. a pound there is nothing to prevent their giving 3d. a pound? You recognise that it is getting away from the spirit of the Customs Union Convention, and you think that they should not be given or, if they are given, that we in the Colony should get an equal advantage?—Yes. I do not say it would be wrong if they made it general.

5865. With regard to the present tariff on confectionery, are you quite satisfied?—Yes, unless there is to be alteration in the raw material.

5866. In regard to the preferential railway rates for Colonial manufactures, are you affected by them at all?—No, not much.

5867. So you really would not care if they were done away with?—No; it makes very little difference.

5868. *Mr. Harlow.*] From what part do you get your sugar?—From various places—principally Mauritius.

5869. Do you use Natal sugar at all?—A little.

5870. Do you think they could supply you with all you require?—No. The present quality they are putting out would not suit us.

5871. You only deal in confectionery?—Yes.

5872. You are satisfied with present conditions, and do not want an alteration unless the raw materials are altered?—Yes—say 20 per cent.

5873. If the raw materials are altered to that extent?—Yes.

5874. *Mr. Kayser.*] In view of the figures given you by the Chairman, do you still persist in the statement that the O.R.C. manufactories are hindering your trade in the Cape Colony?—Yes. They are hindering our trade to this extent, that the merchants in Port Elizabeth, East London and Natal get orders from up-country for O.R.C. confectionery.

5875. What do you mean by up-country?—The Orange River Colony, Basutoland, and the Transvaal. Instead of buying that confectionery from the coast ports they get it delivered from Bloemfontein, and therefore that trade is completely taken away from us.

5876. You would like the O.R.C. manufacturer shut out from the Cape Colony?—I would like him put on the same footing.

5877. You say he is competing with you at your very doors?—Yes.

5878. But you would like the O.R.C. open to you?—To any one.

5879. On the same terms?—Yes.

5880. Take Bloemfontein. Does the manufacturer have to pay railage on his boxes?—Yes.

5881. Do you have to pay railage on your boxes?—Yes.

5882. To where?—Up-country.

5883. Does not the consumer pay that?—Indirectly he does.

5884. As a matter of fact, before you put the sweets into the boxes you pay no railage?—No, but the consumer pays it.

5885. The up-country manufacturer has the disadvantage of paying railage on his boxes to begin with?—Yes.

5886. Do you know what it amounts to?—About 7½ per cent.

5887. So to begin with you have a protection, roughly, of 7½ per cent. against the inland manufacturer. With regard to sugar, you say they get the Natal sugar at a lower rate of railage than has to be paid for manufactured sweets. Does he get the sugar cheaper than your Mauritius sugar?—No, he gets it at slightly higher.

5888. Say he pays about the same price in Natal as you pay at the port for your Mauritius sugar. He has then to carry his sugar to the factory and pay the South African railway rate?—Yes.

5889. He therefore has the disadvantage to the extent of that railway rate?—No; it is in his favour.

5890. I am examining you particularly with regard to the Colonial trade. He is at a disadvantage if he has to pay railway carriage on the raw material, because he is further away from the port than you?—Yes.

5891. So you have that protection also?—Yes.

5892. As a matter of fact, do you think those figures are correct which the Chairman has given you—that only about a tenth of the total comes into this country?—No, I do not think so.

5893. That the Colonial manufacturers sent £5,781 worth into the O.R.C. and that they only sent £582 worth into the Cape Colony?—I have my doubts. I think they send more.

5894. Have you any reason for saying that?—Yes, because I see it with my own eyes a good bit in Aliwal, but whether going back to the Orange River Colony I do not know.

5895. Would it be possible to make any profit on that in competition with you?—Yes. If I had the bounty in the O.R.C. to-day I would not manufacture here at all.

5896. I do not think it is right that a local manufacturer should ask for free access to another country, and that another manufacturer should be debarred from competing in his own country? He is not debarred from competing here and Northward.

5897. Could he, as a matter of fact, compete with you on even terms?—No.

5898. Is it your opinion that all manufactories should be at the ports?--Yes, in a young country like this.

5899. *Mr. Pyott.*] Your point is that the Orange River Colony is one of the contracting parties to the Customs Union?—Yes.

5900. Do you think it is unjust that the Orange River Colony should be paid bounties when the other Colonies do not have the same preference.?—Yes. It is not fair trade.

5901. How long is the bounty system going to last in the Orange River Colony?—Another 2½ years.

5902. As a confectioner, you have to compete with that for another 2½ years?—Yes.

5903. What is your suggestion to get over that difficulty?—To pay them out or to give us the same bounty.

5904. Do you think it is within the lines of practical politics to give a bounty on all your confectionery here?—It is as feasible as their giving it.

5905. Do you not manufacture to a much greater degree in the Cape Colony?—Yes.

5906. Is there not a possibility of bringing it in such a way that any bounty fed articles should be made to pay the amount of the bounty when entering another country?—Yes; a surtax.

5907. You contend that a man gets his sugar from East London to his manufactory as cheaply as you can carry the manufactured stuff to that point?—He only gets it cheaper from Natal.

5908. Why only Natal?—Because the sugar is grown in Natal and it goes direct to Bloemfontein.

5909. He gets the sugar at less cost than you can land the manufactured articles at?—Yes.

5910. What is the difference in box-wood by itself and if it is carrying confectionery?—20 per cent.

5911. You have a benefit for your package of 20 per cent.?—Yes.

5912. *Mr. Kayser.*] You would be quite satisfied if a surcharge were made on these bounty-fed sweets coming into the Cape Colony?—Yes.

5913. That would be reasonable protection?—Yes.

5914. *The Chairman.*] You say all manufactories should be at the ports?—It is the proper place for them.

5915. Do you think that is fair to the Transvaal and O.R.C.? Do you not think manufacturers there should have the same chance as here?--I suppose if I lived there I should look at it like that, but it is usual—in Great Britain for instance--for the big manufactories to be near the coast.

5916. Do you not know that one of the difficulties of the Customs Convention is the manufacturers in the Transvaal object to the manufacturers at the ports? Would you not rather give them an equal chance to have their manufactories there than break up the Customs Convention?--Yes.

Furniture Manufacturing.

Edward Lamplough, of Whitaker, Paterson and Brookes, Furniture Manufacturers, examined:

5917. *The Chairman.*] You wish to give evidence on the furniture trade?—Yes. I put in a written statement. The following statement was handed in:—

PROPOSED NEW TARIFF.

Furniture for Home, Office or Shop, wholly or partially manufactured in parts, or finished, Office fittings Chairs, N.O.S.

Wire Mattresses, Upholstery, Mantelpieces other than stove, excepting Metal and Bamboo Furniture, Ice Chest or Refrigerator, Roll-top Desks, Perambulators, Mail-carts, Asceptic Hospital Furniture, Dental and Surgical Cabinets	25 per cent.
Bedsteads, Iron, or Iron and Brass	10 per cent.
Billiard Tables, Bagatelle Tables, Cues, Racks and accessories for same ...	10 per cent.
Carpets, Linoleums and all Floor Coverings and Furnishing Drapery ...	10 per cent.
Chairs, cane or wood seat, the value of which including case does not exceeed 60/- per doz.	10 per cent.
Mattress Cases and Pillows	25 per cent.
Goods N.O.S.	10 per cent.

Goods of foreign manufacture shall pay an increased duty of 25 per cent. on proposed new Tariff..

FREE LIST.

Algerian Fibre, Coir, Down, Feathers, Flock, Glue (in bulk), Hair, Hessian, Spring Canvas, Kapoc, Leather Cloth, Polish Varnish, Finishing Polish with not less than 4 ozs. Shellac to the gallon, Roans, Morocco Leather, Hides for upholstering purposes, Upholsterer's Springs, Scrim, Upholsterer's Twine, Wire for Mattress-making, Webbing, Wadding, Ticking for manufacturing Mattresses, Cabinet Brass Foundry when imported by the manufacturer for manufacturing purposes only.

5918. *Mr. Tod.*] Have you been in communication with the Port Elizabeth manufacturers of furniture?—No.

5919. These recommendations which you make are entirely your own?—They are what I saw were going to be proposed at Port Elizabeth.

5920. I suppose you saw in the newspapers what they proposed?—No; I saw it before the Conference at Cape Town. There are additions of my own.

5921. *Mr. Pyott.*] That was the Congress of two or three years ago?- Yes.

5922. *Mr. Tod.*] Before the last Customs Convention?—Yes.

5923. Are the recommendations which you now make the ones which were adopted at that Congress of manufacturers?- -Practically.

5924. What alterations, if any, are there?—I made an addition of spring canvas, which they do not mention at all—that is for covering the springs in upholstering work. It is very heavy canvas.

5925. What do you recommend?- -All these things in my statement I want on the free list.

5926. Are none of the articles you mention there manufactured in the Colony?—No.

5927. Not even the leather you mention?- No. The morocco hides are chiefly bred in this country, and sent Home to be dyed, and then brought out here again.

5928. You recognise the difficulty of drawing the line between goods imported for manufacturing purposes and those imported for sale, because there is nothing to prevent manufacturers importing for that purpose and selling again?- -We should give a declaration to the effect that they were for manufacturing, and if we did otherwise with them we should be liable to a penalty.

5929. You admit it leaves a loophole open for fraud?- Yes. You see if mattress cases were made here it would give employment to women.

5930. You say things of foreign manufacture should pay an additional duty of 25 per cent. in the proposed new tariff?- -And if we get 25 per cent. put on furniture which is made in England, American furniture will pay 50 per cent.

5931. Was that a recommendation of the Congress at Cape Town?- -I think so, from what I remember.

5932. Perhaps what you mean is that the duty shall be increased to 25 per cent., so that if the ordinary duty is 20 per cent., say, the duty on furniture from America will be 25 per cent.?—No. It would not give us any advantage at all.

5933. That is what you suggest, at any rate- -that the duty from foreign ports shall be double that from England?---Yes.

5934. Then there will be no imports from foreign countries? The stuff will be produced in the country then.

5935. You think with a protective duty of 25 per cent. a lot of the work at present imported manufactured would be manufactured in this country? Practically everything connected with house furnishing.

5936. Giving employment to a large number of people?- -Yes, and a living wage.

5937. Do you think, from the consumer's point of view, the consumer will pay very much more for his goods? I do not think so, for the simple reason that competition will keep the prices down. We are producing furniture to-day in regard to which it pays us better to sell the same thing imported.

5938. Competition would not alone do it, because you get that disadvantage with the imported article. Is it not that with a bigger turnover you would be able to improve your methods and produce cheaper? -Yes, certainly, because we can invest money in machinery then. Then you must consider the wages we have to pay in this country. A cabinet-maker should make his £3 10s. a week and in England he makes 27s. to 30s. a week.

5939. From what country does the furniture come which competes against you? - Great Britain. The American furniture trade is practically dead with the exception of tables.

5940. *Mr. Harlow.*] You say, "Bedsteads, iron and brass," and so forth, 10 per cent. You also suggest 10 per cent. on billiards and bagatelle tables, cues, racks, and accessories to them. Why do you suggest that? 10 per cent. is a fair revenue tariff. We shall never be able to make them in this country unless we get a very big increase in the population.

5941. Do you not see that bedsteads are practically absolute necessities of civilisation; they are in everyday use. I have no objection to them, but why do you put 10 per cent. on billiard tables?—Many people look upon them as necessaries.

5942. They are luxuries?—Yes.

5943. You would have no objection to a bigger duty on them?—No.

5944. You import Morocco hides?—Yes.

5945. You are aware they can be and are being produced in this country?—Yes, but in very small quantities.

5946. Quite sufficient to meet the demand?—At the present time, because the leather cloth is killing the morocco leather trade.

5947. Will you tell us why you suggest this free list?—The quantity of stuff we use—flock, coir, etc.—is such that if we are running a large factory they run into thousands of pounds a year, and if you put a heavy duty you cannot make the stuff at all.

5948. You have "Morocco leather and hides for upholstering purposes," and as we can produce them here do you not think it would be better to give our tanners a chance?—It would. We have also French polish down, but personally I buy shellac and spirits here.

5949. You will not really press for this?—Not for Moroccos or even polish.

5950. Have you a factory?—A cabinet and upholstering factory.

5951. How many hands have you?—Ten.

5952. White or coloured?—All white, except one coloured boy.

5953. What is the average wage they receive?—About £3 10s.

5954. Do you find them constant employment?—Yes, at present.

5955. Do you think the last tariff gave you any impetus in your trade?—No.

5956. Have you any apprentices?—Two.

5957. White, I suppose?—Yes; we would not have coloured apprentices.

5958. Have you any objection to the Commission seeing over your place?—Certainly not; we would only be too pleased to show you.

5959. *Mr. Pyott.*] What is the duty you are enjoying to-day?—12 per cent. on English goods.

5960. And you propose 25 per cent.?—Yes.

5961. You do not make any recommendation as regards other countries?—Foreign manufactures 50 per cent.—that is the ordinary duty, plus 25 per cent.

5962. Why do you ask that?—Because of the prices at which they are produced. Take American chests of drawers.

5963. You said the American trade was practically dead?—But not such things as chairs. They can land them here for the price of our labour.

5964. You speak of ticking coming in free for mattress making?—Yes.

5965. Are mattress cases made here?—Yes.

5966. Are they not brought in at the same price as ticking?—The same.

5967. Would you not differentiate between the two?—I have put mattress cases and pillows 25s.

5968. To allow them to be made here?—Yes.

5969. How does the railway rate affect you?—Not much.

5970. Would you like to see the differential railway rate done away with?—I would have no objection if I got the protective duty at the coast.

5971. You are only asking for 10 per cent. protection?—13 per cent.

5972. You would rather see the differential railway tariff done away with?—Yes.

5973. Do you use any quantity of Colonial timber? Very little.

5974. Where do you get the little you use?—I have bought it locally.

5975. What class of wood?—Yellow wood.

5976. Is it suitable?—Suitable for making chair frames, for instance, but not for making big pieces of furniture; it shrinks too much.

5977. *Dr. Viljoen.*] Are you serious in asking for 25 per cent. protection on non-British goods?—Yes.

5978. Do you not think it would be much more effective to make it prohibitive?—It is practically prohibitive.

5979. That is what you want?—Yes.

5980. Have you tried any other Colonial woods in the manufacturing of your furniture?—Not personally.

5981. Have you made any attempt?—No. I have seen them used, and they all go the same way.

5982. Is it not due to bad seasoning?—I saw some at the last agricultural show which had been sawn six months before.

5983. At any rate you have not made any strenuous attempt to use Colonial timber in the manufacture?—No.

5984. You are quite satisfied to go on with the imported article?—Certainly.

5985. You want to protect your own interests and you do not care a bit about the Colonial producer?—Oh, yes we do.

5986. Do you think the 13 per cent. you ask for will be sufficient to cover your loss by the differential railway rate being taken away if that is done; will you be willing to forego the advantages you at present have on the railways?—Yes.

5987. Have you considered whether the duration of the Convention would affect you?—I would like it for a long period—seven to ten years.

5988. That is your minimum period?—Yes.

5989. Is much of your furniture sold inland?—A good deal of it.

5990. Do you send any to the neighbouring Colonies?—Very little.

5991. It is mostly sold in the Western Province?—Yes.

5992. Are you the only manufacturer here?—I believe so.

5993. I suppose you are making a profit under the present tariff?—A very small one.

5994. There is a little profit?—Yes.

5995. You want 13 per cent. duty. Who will benefit by it?—It will pay interest on our capital invested.

5996. You admit you are making a small profit now?—Yes.

5997. You ask for an additional 13 per cent. Is that 13 per cent. going in reduction of your furniture, so as to benefit partially the consumer, or will you take the whole of it?—The competition will bring it down. We shall not get such good prices.

5998. Is the public going to benefit in the 13 per cent.—They will.

5999. You will not stick to the whole lot?—Certainly not.

6000. *Mr. Kayser.*] From what country does your timber come?—America.

6001. Have you any preference at present in the freight on your raw material as against the manufactured goods?—No.

6002. You pay the same rate of freight on your manufactured furniture as on your raw material?—Yes.

6003. Do you import?—Yes.

6004. You are talking of what you actually know?—I believe so, but I cannot say for certain because I have not studied the question.

6005. Have you imported timber from America?—Yes.

6006. What freight did you pay?—32s. 6d.

6007. On rough timber?—Yes, from New York.

6008. Then if I tell you the rate on lumber from New York to East London is 25s. as against furniture at 32s. 6d., I am wrong?—I have only got our shipping note and freight charges to go by.

6009. You might look the matter up, and inform the Commission if you are wrong in what you have said?—I will.

[Witness subsequently wrote saying that he had verified his statement *re* freight on lumber being 32s. 6d. per ton of 40 cubic feet, but that it was for "Hardwood Lumber."]

6010. As a matter of fact, there is a distinct protection in the freight. You said the increase in the duty on other than English goods would not make any difference in the cost here to the consumer; is that so?—No, it will not.

6011. How do you reconcile that statement with the answer you gave just now with regard to the American tables, when you said you could import American tables at less to-day than you would have to pay for the labour?—It will not make any difference in Colonial-made stuff.

6012. Your Colonial-made stuff will not go up, but the consumer will pay more for a table?—He will get a better article.

6013. He will be forced to pay a great deal more?—Not a great deal.

6014. Your statement was that you can land the American tables at less than you have to pay in labour?—Yes.

6015. Notwithstanding that, you say the consumer would only have to pay a little more?—Not much more.

6016. What does the freight on a table amount to?—American furniture lands out here at 75 per cent.

6017. To begin with, he would have to pay that 75 per cent.?—He has to pay that at the present time.

6018. Why do you suggest 10 per cent. on chairs—cane or wood seats, not exceeding 60s. a dozen?—We cannot make them here.

6019. You want to reduce the duty?—Yes.

6020. Have you estimated the effect this suggested tariff of yours would have on the revenue of the country?—No, I have not.

6021. You have not gone into any statistics?—No.

6022. You could not say whether it would mean a loss or a gain?—No.

6023. What percentage of your total output is made in Colonial timber?—About 5 per cent.

6024. The last tariff has not affected your business?—No. The present tariff was in force before I took over the business. My business has increased in pushing Colonial-made stuff.

6025. Is there a prejudice against your manufacture?—In a good many cases. The people say they do not get as good a finished article as the imported article. That is not true; we finish equally as well as at Home.

6026. You suggest 10 per cent. on billiard tables. Is that simply because they cannot be manufactured in this country?—Yes.

6027. You do not think, as an article of luxury, they should pay a reasonable duty?—That did not interest me at all.

6028. Have you communicated with any other manufacturers' association with regard to the rate of duty you are asking?—No.

6029. Can you explain to me why your suggestions are exactly the same as we have had from manufacturers in other places—word for word?—The only thing I can suggest is that I was in Port Elizabeth when the Manufacturers' Congress was in Cape Town, and I had my information then.

6030. Has it been arranged by the association?—Not that I know of. We are not members of the association.

6031. It struck me that the wording as submitted at Port Elizabeth and here is similar?—I saw it in Port Elizabeth.

6032. And did not discuss it with the other manufacturers?—No; I was working as a salesman.

6033. Can you tell me what percentage of goods you manufacture is to be included in the free list on your suggestions? Some of the things, of course, are already on the free list?—The difference, I think, is spring canvas, ticking for manufacturing purposes—imported by the manufacturer for manufacturing purposes only.

6034. You have not gone into the question of what percentage it will make on the manufactured article?—No.

6035. You suggest ticking for manufacturing purposes?—Yes.

6036. How do you propose to protect the Government in a matter of that kind?—I propose that in clearing goods the agents or firms shall give a declaration.

6037. If a local merchant imported ticking, you think he should pay *ad valorem* duty?—Yes.

6038. Does he not sell it for manufacturing mattresses?—Yes, but he makes a profit on it.

6039. You do not think the consumers should make his own mattresses?—Certainly not.

6040. You do not think the merchant is justified in importing to let the consumer make his own mattresses, but that he should send the business to an upholsterer in town?—Yes.

6041. It appears to me there would be great difficulty in arranging this suggestion of yours. I give ticking simply as an instance. I see you mention other articles upholsterers' springs, ties, etc., for upholstering purposes. Would not this mean a great deal of inspection on the part of the Customs?—No. I do not think they find it so. Some goods come in free now.

6042. You think the manufacturing class in South Africa would be above selling these things?—I think so.

6043. You have no hesitation in putting this temptation to fraud before them?—No.

6044. *Mr. Scott.*] I suppose you would use more Colonial timber if you could get it seasoned?—Certainly.

6045. It is only a question of seasoning the timber?—And growing it. I will give an instance. Take oak. There is good oak to be grown round the Knysna district.

6046. You would use oak from the Knysna district? But I do not think there is any grown there?—The Cape Government uses it on the railways.

6047. Is it suitable for furniture manufacture?—Yes. It is much lighter than the English oak, only the freight round by sea kills it.

6048. You think that light oak is a very suitable wood?—Yes. There is a demand for it at the present time. It is specified in certain contracts.

6049. I think it is only the cheaper class of furniture you complain of?—That is all—the cheaper class, such as cheap bedroom suites and cheap dining-room suites and cheap sideboards, etc.—anything up to £7 or £8 at Home.

6050. You want this tariff to shut that out?—Yes.

6051. I think you told one of the Commissioners it cost 75 per cent. to import American furniture?—Yes.

6052. Would it cost 75 per cent. to import a table, knocked down?—That is what the average works out.

6053. On the larger articles—bedroom suites? No, on American tables and chairs.

6054. It seems to me a very high percentage on American tables, because they are packed close together. Still, that is your experience, I suppose?—American desks, 120 per cent.

6055. Do you think if you had a large increase on the duty on imported furniture you could increase your business and manufacture cheaper?—Yes; we could produce more cheaply and employ more labour.

6056. With regard to polish?—I asked for it to come in free, but I do not press that. I prefer Colonial spirit; I use it now.

6057. It is suitable?—If I can pay the price.

6058. *Mr. Harlow.*] I would like you to emphasise a point you made in regard to the Colonial manufacture. You say there is a prejudice?—Yes.

6059. That is so; you emphasise that?—Yes.

James Frederick Pearce, Bamboo Furniture Manufacturer, attended, and handed in the following statement:—

At yesterday's sitting a statement was read by Mr. E. Lamplough on behalf of Wood Furniture Manufacturers, specifying furniture which protection was desired upon, and *inter alia* Bamboo Furniture was mentioned as an [exception, and was to be admitted without extra protective duty. As a manufacturer of Bamboo Furniture I would suggest that this class of goods should bear 25 per cent., having regard to the fact that this furniture can be manufactured in this country and of greater durability than the imported shoddy article, and I am of opinion that this protective duty would be in the interest of the Wood Furniture Manufacturers themselves, seeing that Bamboo Furniture is a competitor of wooden ware, and reduces the quantity of Wood Furniture required.

I would suggest that

Matting,
Lacquered Woods,
Embossed Papers,
Canes and Bamboo,
Brass Fittings,

when imported for manufacturing purposes, should be free.

6060. *Chairman.*] You wish to give evidence regarding the manufacture of bamboo furniture?—Yes.

6061. *Mr. Tod.*] Do you manufacture it to any extent? It is quite a new industry. Of course, I find so far as I am concerned, having just started this industry, there is very little chance for it, owing to the quantity of imported "knocked down" bamboo furniture. I submit a catalogue of mine showing the furniture made by me.

6062. You confine yourself to bamboo furniture?—Yes.

6063. I suppose you contend that your position is on all fours with that of the ordinary furniture manufacturer?—Exactly, because if this class of furniture is required in the country there is no reason why it should not be manufactured here, because the necessary plant is not so elaborate as the ordinary furniture plant. There is no reason why the trade should not be fostered here.

6064. Where do you get your raw material from?—The bamboo reeds and lacquer comes from Japan. Lacquer cannot be made in this country.

6065. *Dr. Viljoen.*] All imported?—Yes, in the raw state.

6066. *Mr. Tod.*] Do you get any advantage from the preferential railway rates?—Yes. There is a preferential tariff for Colonial-made goods, although, of course, the tariff is very high. If I want to ship bamboo furniture from here to Cape Town it is something 15s. per hundred pounds. It is almost prohibitive.

6067. Still, you would get an advantage as against the imported furniture?—Yes.

6068. Would you be willing for that preferential railway rate to be done away with?—I am speaking of the preferential railway rate for railing furniture made in the Colony from here to Cape Town as against the imported furniture.

6069. You know there is a considerable agitation that these rates should be done away with, and that any protection should be given through the Customs. Are you in favour of that?—No. I think anything produced locally should have a preferential railway rate.

6070. You are not in favour of its being done away with?—No.

6071. *Mr. Pyott.*] You speak of lacquered wood here. Is this bamboo lacquered before it comes in?—I mean fancy design lacquer for shelves and panels to be used in conjunction with bamboo reeds, and is imported in standard measurements.

6072. Cannot this be made here?—I do not think so.

6073. If you get this protection will it run to any quantity? Can you employ many people?—Yes. We could build up an industry, because an enormous quantity is brought in from London and Japan, and each bamboo article imported is in competition with wood furniture.

6074. Would you get the canes locally?—No, imported.

6075. You do not press the question of lacquer coming in free?—Not if it can be obtained locally. I have not found it can be done. I should like to add that this bamboo furniture is made at Home principally by the lowest type foreigner, and therefore by admitting it at a small duty it is no encouragement to the British workman at all.

Milling, Flour; and the Manufacture of Oatmeal, &c.

Alfred North Lewis, Managing Director of Lewis Bros., Ltd., representing the East London and Cathcart Millers, examined.

6076. *Chairman.*] You wish to give evidence on the milling industry?—Yes. I put in a written statement. The following statement was handed in:—

The present Duty on Flour and Wheat of 2s. 6d. and 1s. 2d. per cental respectively, with a rebate on Australian and Canadian Flour of 3d. and on Wheat of 2d. per cental, at first sight looks as if we had a preference over the imported article of 1s. 3d. per cental, but it is very doubtful if in actual practice this works out at much more than 8d. to 9d. This reduction of our preference is brought about by the following causes:—

(1) The Wheat Importer pays on Bill of Lading quantity, whereas, as is very well known, there is a difference of at least 1 per cent. between the B/L quantity and that delivered at the Mill. Not only does the Importer pay the original price of his Wheat on the B/L quantity, but he also pays all Duty, Wharfage, and other charges on the larger quantity.

(2) The cleaning process through which the Wheat must of necessity be put reduces the weights on clean Wheat like Australian by 1½ to 2½ per cent., while on very dirty Wheats, such as Indian, the loss is sometimes as great as 10 per cent. The Miller, however, pays Duty, &c., on all dirt and stones, &c., which are extracted from the Wheat before he can use it for manufacturing purposes.

(3) The cost of manufacture is very high in this country owing to the high price which has to be paid for very poor coal, and high wages which have to be paid for skilled labour.

We are also very much handicapped in this country in the sale of our bye-products, in the shape of Pollard, &c., as owing to there being absolutely no demand for any of the offal—barring Bran—we have to run into it all the finer bye-products, which in other countries command a ready sale at a price very much higher than Bran, but here we have to lump it all together and sell it at Bran prices.

The extra Duty placed on Bran at the last Customs Conference did not raise the price of that article in the least, as owing to the slightly better time run by the Mills there was a greater output of Bran, with the result that internal competition kept down the price, and there is no question that the better time the Mills run the cheaper will Bran become, and so will enable the Farmers and others owning stock to use it in much larger quantities than at present.

There are at present in South Africa sufficient Mills to manufacture the entire requirements of the country in the shape of Flour, Meal and Bran, and a large number of them are now as well equipped as the best Mills in Europe and Australasia.

I do not ask for any increase in the present moderate protection afforded to the Milling Industry, but I do say most emphatically that any reduction—no matter how small—in the protection which we at present enjoy, will go far towards ruining one of the largest Manufacturing Industries in South Africa.

It is estimated that the Milling Industry of this country employs about 1,500 hands, of which a large number are European, and pays wages to the amount of about £150,000 per annum, exclusive of salaries, and that tne amount of Capital invested in the Industry approaches £3,000,000.

There is one point on which we are urgently in need of protection, and that is against "dumping."

The Australian Mills run 24 hours a day, and while the demand for their products is good they quote them here at a fair market price: but when it falls away, to enable them to keep running full time, they send large quantities over here at a price far below cost, with the result that we have either to sell at a heavy loss or shut down. It is within my personal knowledge that Flour and Wheat have been offered on this market from Australia with a difference of only 3d. per cental in price, thereby proving conclusively that the Flour was being "dumped" at a price which left the manufacturers a very handsome loss, but it enabled him to keep his Mills going full time and to keep up the price for his Flour in his own country. I would suggest that a Clause be inserted in the next Customs Convention which will prevent this dumping.

6077. The only protection you really want is against dumping?—Yes.

6078. *Mr. Tod.*] Can you suggest how to get over this?—It is a very hard thing. The only suggestion I can make is to have the same clause as in the Canadian Tariff inserted in our Convention. [*Reading same.*]

6079. You have carefully studied that?—Yes.

6080. You think that would have the desired result?—Yes; I think so, if it were workable.

6081. That is the point; do you think it is workable?—I very gravely doubt if it is, but from my experience of the Customs officials I think if that clause were inserted they would very soon find a way of collecting the extra duty.

6082. You are satisfied with the present protective tariff?—We do not ask for any more.

6083. In regard to the preferential railway rates, are you affected by them at all?—Yes. Of course, it is practically impossible in East London to get the Colonial wheat, because the up-country mills get it all before it can come here.

6084. Really you do not handle the Colonial wheat?—No; we do not get a chance. If we did, it is absolutely of a prohibitive price.

6085. Would you be in favour of doing away with the preferential railway rate?—No; I think the farmer is entitled to the protection.

6086. Do you think the farmer gets the benefit of this?—Yes.

6087. Would the miller pay a larger amount for his wheat on that account?—Yes.

6088. You think that is the case?—Yes, because the miller, having made the wheat or flour, can forward it to wherever he is sending it at a much lower rate than if it were imported.

6089. But does the farmer get the benefit of that rate? Supposing the price of imported wheat is 18s. a bag, how much would the miller give for a similar quality to the farmer in this country?—I would not like to say, for the reason that I have not seen an equal quality to the Australian.

6090. Do you mean to say that none of our Colonial wheat equals even the worst specimen of the imported?—Undoubtedly it is better in the Western Province. They get a very much finer quality of wheat than on the border.

6091. As you do not handle the Colonial wheat, you are really not in a position to give us much information?—No.

6092. *Mr. Pyott.*] Cannot you tell us the difference the miller pays for Colonial wheat, the quality being the same as the imported?—He pays more for the Colonial than the imported on an average.

6093. How much?—It depends where he is sending it.

6094. Suppose he sends it to Kimberley?—I do not know. It is almost impossible to answer that question. It depends where his mill is situated. He may be only fifty miles from Kimberley.

6095. Take from King Williamstown to Kimberley?—In that case personally I would be prepared to pay 1s. to 1s. 3d. for the Colonial more than the imported, quality being equal.

6096. I think you mention in clause 1 that you generally get a loss of something like 1 per cent. of your bill of lading quantity from the other side to the mill?—That is so.

6097. Is not ½ per cent. allowed by the seller at the other side?—We are not allowed anything.

6098. What do you reckon is the loss in cleaning?—It may run up to 10 per cent. or even 12 per cent. or more with an exceptionally dirty wheat.

6099. That would not include Australian?—No.

6100. You are speaking of South American?—Indian.

6101. And South American?—Not so much—much more than Australian, but it is not so dirty as Indian.

6102. What do you reckon is the loss in milling, from the time the cleaned wheat goes into the market till it comes out the finished product?—You mean with evaporation?

6103. Yes?—I should think between 2 per cent. and 3 per cent.

6104. You say you have a difficulty in getting rid of your bye-products here?—Yes.

6105. You have no market for sharps and pollard?—No.

6106. What do you do?—Run them into bran. We have tried our best to get the stock farmers and dairymen to use them. I persuaded one man the other day, who runs about thirty cows for a dairy, to buy some and try it. He said it was no good. He said: "I gave them pollard one night, and in the morning there was no more milk."

6107. You have to sell it (sharps and pollard) at a price very much under the price in Australia and England?—Very much.

6108. What is the difference in price per ton?—Taking bran and sharps and pollard, it would be about £2 a ton.

6109. You have to sacrifice it for £4 a ton, which is less than in other countries, where the people understand how to use it?—Yes.

6110. How does the price of bran in this country compare with the price in Great Britain?—At present it is considerably lower.

6111. It is about £4 a ton at present, and in England it is £5 10s. to £6 10s.?—Yes.

6112. You are not asking for further duty on flour if you can get over the difficulty of dumping?—No; if we get over that we can make what one would call a grinding profit in competition with the imported.

6113. *Dr. Viljoen.*] Did I understand you to say that there is no Colonial wheat here?—We cannot get any here; there is none grown on the coast.

6114. Why?—Because of the rust.

6115. Have you tried to assist the farmers by giving them rust-resisting wheat seed?—Our firm has not tried it. We have not been here long enough to get experiments properly tried; but it has been tried here, and years ago they grew a fairly large quantity of wheat along the coast, but had to give it up. That was before my time.

6116. Will you be surprised to hear that we have it in evidence that there is every expectation the production of Colonial wheat will increase?—I do not see any reason why it should not.

6117. Of course, in the Western Province there is a very large production of wheat?—Yes.

6118. You talk of the dumping of stuff here. You are referring now to meal or wheat?—Meal and flour.

6119. Is that meal and flour sound when it is dumped here and sold on the market?—Yes. Of course, bad parcels arrive, but in the ordinary course of things it is perfectly sound.

6120. In your opinion, would a slight increase of 25 per cent. to 30 per cent. on the present duty on wheat be any additional burden to the consumer? Would it affect the price of the loaf?—I do not think it would affect the price of the loaf so much, but it would affect the price of a bag of meal or flour.

6121. But not a pound of meal?—No; it is too small.

6122. It would not affect the price of a loaf?—I would not like to say; that is more a matter for a baker. If 25 per cent. was put on the existing duty of wheat we should have no option but to increase the price of our meal and flour by the same proportion, because the margin at present is not sufficient to allow a reduction.

6123. It would not affect the price of a loaf of bread?—I do not know. The baker has a habit of making the consumer pay more when he has to pay more himself.

6124. Do you make mealie meal?—Not now. We have done, but do not now.

6125. You do not make oatmeal?—No.

6126. So you are not in a position to tell us whether the local mealie meal or oatmeal is affected by the preferential railway rates, conveyed in bulk in bags as against tins?—No.

6127. *Mr. Kayser.*] If the duty were increased on wheat you would have to increase the price of your flour and meal?—Undoubtedly.

6128. And naturally, if the present protection is so fine, you would have to ask for a little more protection on flour and meal?—If the duty was increased on wheat, and not in the same proportion on flour and meal, we would lose a very large proportion of our present trade—the margin is so fine.

6129. You have not studied the difference in railage as between Colonial and imported?—I know what the difference is.

6130. Do you know how much a ton from East London?—I think the imported goes at 1½d. per ton per mile, and the Colonial at ½d.

6131. *Dr. Viljoen.*] The Colonial is ½d. and the imported 1¼d.

6132. *Mr. Kayser.*] At any rate, the difference in the rates from East London would be 30s. a ton. It is 30s. 3d. from Port Elizabeth?—I have not worked it out.

6133. What I want you to explain a little is what you mean, in speaking of dumping, by saying you would have to compete with the ordinary imported article?—The ordinary imported article is, in my opinion, an article that is sold here at a fair market price compared to its cost from the exporting country, but a dumped article is an article that is sold here at considerably below its cost, and at a price which leaves the exporter in Australia or America, or wherever it may be, a considerable loss.

6134. You object to these people on the other side making a considerable loss?—I object to their ruining our market; they can make whatever loss they like.

6135. You say here that it is within your personal knowledge that flour and wheat have been offered on this market from Australia with a difference of only 3d. per cental in price. Is that difference in price c.i.f.?—Yes.

6136. What would the difference be, duty paid?—When the imported comes here it has to be manufactured. All the bran has to be taken out.

6137. It is reducing it by 3d.?—No; a great deal more. It is 3 per cent. in the raw material, but that raw material has to be manufactured.

6138. *Mr. Pyott.*] You might put this evidence in in writing?—Yes. It is very difficult to work it out. There is the cost of manufacture, and there is the fact that, supposing you are making fine meal, about 25 per cent. is taken out in bran and sold at the bran price.

6139. Can you tell us the difference?—I cannot, off-hand.

6140. Will you let us know later on?—Yes.

6141. Has this flour been sold for very much less than the ordinary selling price of the flour here?—No, because generally speaking when a merchant gets what you might call a "snip" of a dump like that he makes a profit, but it stops the miller selling to the merchant.

6142. The consumer does not get much benefit?- Very little.

6143. As a matter of fact, is it not a help to keep the miller from increasing his price too much?—It is rather a help to shut the mills down.

6144. Is it not a check on the miller getting too much?—The milller's price is kept down to reasonable limits by the wheat and meal imported at fair market prices.

6145. Is meal imported?—Large quantities.

6146. Can you tell us what has been imported during the last six months?—No; I will try to get the information if the Customs will allow me to.

6147. Meal made from wheat is regularly imported? Not so much the last six months, but it has been imported largely during the last twelve months.

6148. We have it in evidence that you are only largely affected by flour, and meal is not imported much?—It is imported—in 200 lb. bags

6149. *Mr. Scott.*] Where does the imported flour come from, principally?—America and Australia.

6150. How does the miller manage to send his flour here against you?—In America, for instance, the mills are running on a very much larger scale than ours, with the result that their cost of manufacture is very much smaller than ours. Their capital outlay is smaller than ours.

6151. You think on that account he is able to send his flour here cheaper, because he runs 24 hours?—Yes.

6152. A larger output enables him to do it?—Yes

6153. Could you make any suggestion with regard to rust-resisting wheat?—No.

6154. You are not familiar with that?—No.

6155. Is the price of wheat likely to advance much more?—I wish you could tell me that.

6156. You are in favour of the dumping clause being inserted? That matter is your principal grievance?—Yes.

Sheet Metal Manufactures.

Albert Cornelius Maytham and *Percy Edmund Brown*, representing **A. C. Maytham & Co.**, examined.

6157. *The Chairman.*] You wish to give evidence on the sheet metal trades—tinware, etc.?—*Mr. Maytham*: Yes.

6158. Will you state to the Commission what alterations you want in the tariff?—I have a written statement here. The following statement was handed in:—

We recommend the following tariff for the under-mentioned articles:—

1. Tin plates, plain, lacquered, coloured or figured, not cut to any particular pattern or stamped, but imported in stock sizes for manufacturing purposes, Free.
2. Black and galvanised iron sheets and other metals, not cut to any particular pattern or stamped, but imported in stock sizes for manufacturing purposes, Free.
3. Wire in straight lengths or in the roll, bright, black or galvanised, not cut or bent to any particular shape, but imported in stock lengths, Free.
4. Grain tin in ingots, Free.
5. Rivets for manufacturing purposes, Free.
6. All tinware, plain, japanned, lithographed, cuttings or stampings for putting together, and all manufactures of tin plates not otherwise specified, and manufactures of black and galvanised sheet or iron cuttings or stampings of same for putting together, not otherwise specified, including tanks, tin, steel or iron boxes or casings of any kind used for packing, 25 per cent.

6159. *Mr. Scott.*] In your opinion, if the tariff was raised would that be an incentive to you to extend your plant?—Undoubtedly. There are many things we are not making now that we should immediately start making, but there is not sufficient inducement offering to enable us to do it now.

6160. Do you mean there is no continuity of the tariff: the tariff is changed frequently?—It is so frequently chopped about that you do not know where you are, and besides the present margin is not sufficient.

6161. Do you mean the present margin, which is 12½ per cent.?—Yes.

6162. How is that not sufficient? In this way, that the merchants will not place their orders with us generally, even if we can do the article slightly cheaper. We have proved that over and over again. They have an objection to lessening their importations. They prefer importing the goods unless the margin is so great that it does not pay them, and then they will come to us. If there is very little difference, and supposing our quotations are slightly cheaper, it does not induce them to place their orders with us.

6163. Then in that case I suppose you have to become the distributor?—We cannot be manufacturers and merchants too; it generally takes all one's money to run your own business. The merchant has to have several travellers on the road.

6164. Are your tinware goods equal to the imported article?—They must be. That is the only way we can command a sale for them.

6165. Do you employ many apprentices?—Yes. I do not know the exact number, but we could employ a good many more than we have if we could give them sufficient work.

6166. Are they white or coloured?—We have no coloured apprentices. They are white. We have coloured labourers.

6167. Do you find youths coming forward to offer themselves as apprentices?—Every day. Mothers and fathers come to me every day in the week, begging me to give their sons employment of some kind and I am not able to do it; I have not sufficient work for those we have.

6168. You have a special rate over the railway. Do you wish that to be continued?—No. We do not get the advantage of that. We would rather get any protection through the Customs. There are so many conditions attached to the concession that in very many cases people do not take advantage of it.

6169. Have you enumerated the articles you could make in East London with your present plant?—We have all the larger machinery for making almost any article in sheet metal goods, and it is simply a matter of dies to fix to these machines. We have a few thousand pounds worth of dies in stock now, but of course they are not employed to their fullest extent. We have the necessary machinery to turn out any article in sheet metal goods where there is the demand.

6170. You would put down more machinery, of course, if there was a demand?—Undoubtedly.

6171. You do not ask for protection on enamelled ware?—No. That has never been made in this country, and that is not part of our business.

6172. *Dr. Viljoen.*] Your wares are mostly made from tin?—Not all—tin, zinc, galvanised iron and black iron.

6173. Is there a duty on the raw material?—No.

6174. It is all free?—Except wire. That comes under the general *ad valorem* rate.

6175. What wire?—Tinsmith's wire.

6176. Fencing wire?—No. That comes in free.

6177. Is it similar?—No; it is harder, although it is identically the same. We pay the ordinary *ad valorem* duty on the wire.

6178. You get all your raw material free except the wire, on which there is a duty of 12 per cent. on British and 15 per cent. on foreign? Your present protection is 12 per cent.?—Yes.

6179. You think it is not sufficient?—No, for this reason, that supposing we can manufacture an article for the same price as it may be landed here for, we should get the business, but we do not.

6180. Do you know what the Australian protection is?—Yes, 25 per cent.

6181. *Mr. Brown.*] The new tariff is 30 per cent. general and for goods manufactured in the British dominion 25 per cent., and the general tariff for New Zealand is 27½ per cent. for foreign and British 25 per cent. There is evidently some slight anomaly with regard to wire, because wire for fencing purposes comes in free. Wire for bookbinders comes in free and wire for any other purposes except our trade, which is not specified at all. It is supposed to be free, but as soon as the new duty tariff came out we had to pay 15 per cent., because it was decided at the Customs Office that as it was not specified it would have to come under the general *ad valorem* list. Evidently that is a mistake, because the idea of this tariff was to protect industries to a certain extent, and that raw materials should come in free, and this is practically raw material. Wire mattress makers get their wire in free—every trade except ours.

6182. *Mr. Harlow.*] You say you can make these goods cheaper than the imported?—*Mr. Maytham*: I am speaking of one or two instances which have come under my notice. I am not speaking generally. We have positive proof in one or two cases that where we can produce a better article than they can lay down it does not bring us the business.

6183. Would you mind giving us the percentage, roughly, of the difference between the Colonial made article and the imported?—*Mr. Brown*: Do you mean what we sell at as compared with the cost of the imported article?

6184. I mean to the retailer?—We do not supply much to the retailer. We supply the merchants wholesale chiefly. You cannot get a margin because there are so many articles manufactured that you would have to have a book of statistics to get out the percentage, but at the same time in the larger trade, where there is more money in it, we can manufacture at about the same cost, and in many instances slightly cheaper, but as we have explained it does not bring us the business, because the importer naturally prefers to get his goods from his London house and to encourage that London house, which of course is quite right from his point of view. We want the protection against that if we can get it.

6185. You have 12 per cent. now, and are asking for 25 per cent.?—Yes, the same as other Colonies similarly situated.

6186. Do you wish that 25 per cent. applied to British made goods?—If we were asked we would say 25 per cent. to be imposed on British goods and 30 per cent. on foreign goods.

6187. You have only asked for 25 per cent.?—We have only mentioned that. We did not know it would be brought up, but that is our opinion if you require it.

6188. You have said there would be no extra cost above the present cost to the consumer?—Not the slightest. Even if we got the tariff imposed straight away we should not alter our prices.

6189. You would have 25 per cent. over and above the oversea cost. I asked you whether you could tell me the difference, which you cannot, and therefore it must necessarily raise the cost to the consumer; it will cost more?—No. We have explained that we can make the article, and do not want to charge anything further for it, but we want the business which is now going out of the country. We could do it at even prices, but we do not get that preference. Naturally, the importer gives the preference to his own people; it is only natural he should.

6190. You made a point of boxing goods?—Yes.

6191. Are there manufacturers in this district who would take your boxes for such as you have mentioned?—We make a quantity of them. We make coffee tins in fairly large quantities for Colonial manufactured coffee; currant tins not so many; a few ointment boxes; tobacco tins in large quantities for Colonial made tobacco; cigarette tins for cigarettes—chiefly in Johannesburg and Bulawayo; and we make a few snuff boxes. What we complain of is that there is no duty imposed on the casing. Take tins of tea; the contents are taxed to the extent of 4d. per pound, but the casing which they are in is not taxed at all. It is the same with coffee—2d. per pound—oatmeal 2s. 9d. per 100 lb., and so on.

6192. I believe you said there is prejudice against Colonial manufactures?—We never mentioned prejudice. It is merely a business sentiment—that the importer should naturally give preference to his English house—for their common interest; put it in that way.

6193. You have said some of your goods are cheaper and equal to the imported articles?—Yes; I think we can prove that by samples.

6194. Why do you say enamelled ware should come in free?—We do not manufacture it, and therefore do not want the consumer to pay. Our idea is that we do not want the consumer to pay any more for his goods than is necessary.

6195. You know we want revenue? Would you not suggest any tariff being placed on enamelled ware?—We have not considered the subject at all, because it is not in our line of business.

6196. You say 60·4 per cent. of your wages are paid to Europeans?—Yes; that is of the 26 per cent. which the labour represents to the cost. I have the figures, which I could hand in.

6197. Have you any objection to the Commission going over your factory?—Not the least; we should be very pleased.

6198. *Mr. Tod.*] In regard to the materials you wish imported free, are you against the preferential tariff in favour of Great Britain, because you recommend raw materials to come in free?—Yes.

6199. At present, as you know, the so-called free list is free as far as the imports from Great Britain are concerned, but there is 3 per cent. against imports from other countries?—Most of the articles imported in our trade are British, and so we have not really fully considered that question. We get our tin plates from Britain.

6200. Are the imported goods which are sold against you the products of Great Britain?—Of every country—chiefly England, Germany and America.

6201. Do you think that most of the goods which compete with you come from England?—The majority come from England.

Mr. Maytham: A large proportion come from Germany and the United States.

6202. In telling us you can supply the merchants at the same cost as the imported articles, how have you worked that out?—*Mr. Maytham*: That only applies to a few articles. Our complaint is that it does not bring us the business even if we can do that.

6203. Is not the natural reading of that the fact that the merchant can make more profit out of the imported article?—No; I think he considers he should support his own business at Home. Any way, they do not give us the preference, even if the quotations are the same.

6204. Then how do you manage to do your business at all?—That is just it. Whilst his stocks are on the water, and if he runs short, he will make use of us. Some people, of course, who have no Home place to consider do a certain amount with us, and then we get special work that is wanted in a hurry. What we say is that there are thousands of pounds worth of these goods which we can make in our factory, and we see them landing from every steamer, and we maintain they should be made here.

6205. In regard to the enamelled ware, is there not a danger that if it came in free it would enter into competition with the tinware?—It is far more costly than tin goods.

6206. You would not regard that as a danger at all?—No.

6207. You do not think a less protection than 25 per cent. would help you much?—I do not think it would have any effect in keeping out the imported article and giving the manufacturers the work—that is, to turn out the goods which are being landed here every day.

6208. I think you have already told the Commission that you are quite prepared to have the preferential railway rates done away with if you have the necessary protection through the Customs?—Yes.

6209. *Mr. Kayser.*] You made a great point of the duties in the Australian Commonwealth. You might tell us again what they are?—*Mr. Brown*: Australian general tariff 30 per cent., British Dominion 25 per cent.

6210. That is on?—Goods manufactured from metals.

6211. What metals; could you give me details—tin?—*Mr. Maytham*: Tin, galvanised iron—sheet metal goods of all kinds.

6212. Will you tell the Commission the duty on flat galvanised sheets in the Commonwealth?—*Mr. Brown*: Free, I think, but I will not make a definite assertion because I have not turned it up.

6213. Is it not a pity you make a statement and have not the particulars?—We only gave that in answer to a question.

6214. Let me read you the tariff. It says: "Iron: Plate and sheet, viz., corrugated galvanised, *ad valorem*." It was free; it is now 25 per cent. and 30 per cent. for British goods. The next line is what I want to call your attention to particularly; "Galvanised iron not corrugated and corrugated not galvanised, *ad valorem*, 20 per cent. British goods, 25 per cent. foreign,"—a preference of 10 per cent.?—Can they make them there?

6215. I do not know. My point is they only have a protection of 10 per cent. You ask for a protection of 25 per cent. duty, saying that they have it in Australia, and I wanted to point out that the Australian manufacturer has to pay 15 per cent. on flat galvanised sheets and only gets a protection of 10 per cent.?—I do not think that is any argument at all, because if they can make them in the country they want to protect the flat sheet metal trade against competition.

6216. As far as the manufacturer is concerned, I think you will agree with me the protection to him is 10 per cent.? Am I right?—I do not know. I have not studied that point. At the same time I do not think the argument is anything against the tariff we ask for, because if they can manufacture it in Australia therefore the galvanised iron is sold to the consumer and the consumer has a preference against the manufactured article, and therefore can make his goods as cheaply.

6217. As a matter of fact, they do not manufacture there. Not black sheets. Can you tell me the duty in the Australian Commonwealth?—No.

6218. I will tell you, for your information, because we must have things quite clear. The tariff says, "Plates and sheets," and, for your information, I may tell you that is sheets measuring anything under three-sixteenths of an inch in thickness, "and pipes and tubes of any metal, plated, polished, or decorated." The duty there is 15 per cent. for British goods and also 15 per cent. for foreign, and there again the protection to the manufacturer is 10 per cent.?—On?

6219. Between the manufacture and the raw material?--Can you definitely state that they do not make black iron sheets in Australia?

6220. The difference is 15 per cent. on the unmanufactured and on the manufactured article 25 per cent. Do you use any Colonial material whatever in your factory?—No, we cannot, because sheet metal is not made in the country.

6221. It is only a question of the employment of labour, which is 26 per cent.?—Yes.

6222. That is the labour proportion of the finished article?--Yes.

6223. You made rather a point, which is a new one to the Commission, regarding the necessity of the merchant importing everything in bulk. Will you just detail one or two items which you think could be imported in bulk? Oatmeal, I take it, would be one?--*Mr. Maytham*: Tobacco and tea.

Mr. Brown: Take tea. That is not grown in England. That is sent out from China or wherever it is bought, and canned in England, and we think it could be brought here and canned or boxed, when it is sent out in the smaller packages.

6224. You do not think it would cost any more to the consumer?—*Mr. Brown*: I do not think so.

6225. Would not the labour of re-packing that tea be more expensive? Is there not a great difference in the cost of labour?—*Mr. Maytham*: No. It is principally done by girl labour.

6226. Can you employ girls in this country for that work?—In many places they do.

6227. You think it would be possible?--Yes.

6228. Is oatmeal not, as a matter of fact, imported to-day in bulk?—I do not think anyone here does it. It may be done in one or two cases, but as far as we can gather it is imported in tins of 7 lb. and upwards.

6229. You are aware it is being manufactured in this country?—Yes.

6230. There is not a danger, in your opinion, of the consumer making use of enamelled in place of tinware if you increase the duty?—*Mr. Brown*: I differ from Mr. Maytham. It does make a difference, but as we cannot manufacture it we have not brought it into our calculations.

6231. I asked because we have been asked to put a specially high tariff on tinware in order to protect tinsmiths. I would like to ask you if you have considered the protection, if any, which you have now as a manufacturer of tinware in the matter of freight?—Certainly. The bulky goods cannot be imported; we can manufacture. That is chiefly what we live on. The things which are packed closely are things we could make in our factory. Probably at the start of the business this would differ from what we have said previously with regard to the cost to the consumer; it would probably mean a little extra cost to the consumer at first on such things as galvanised baths and buckets. We could make them at our factory, but we should want to get a start, I think. Probably the cost to the consumer at the beginning would be a little more?—I am glad to hear one manufacturer admit that.

6232. Of course it is an absolute fact?—Yes; there is no contradicting it.

6233. You say the goods which are packed closely are not much affected by the freight?—No.

6234. Have you calculated that at all?—It only stands to reason that the goods which are packed closely will not have the protection that will be necessary on the bulkier goods.

6235. Have you calculated the difference in the percentage of cost between things like buckets and flat galvanised sheets from which you would make them?—No, we have not gone into that, although we say we can manufacture them.

6236. Would you go into that and let us have the amount of protection in freight?—Yes.

6237. You mentioned something about goods coming out in every steamer. Were there any special lines?—*Mr. Maytham*: I said that. We can enumerate dozens of them.

6238. Will you enumerate some of the big lines?—Take all rain-water fittings—guttering, ridging, piping, shoes, elbows, etc.

6239. Is there not a large protection in freight on all those goods?—No; they nest them.

6240. In all cases?—Yes.

6241. Is it not a fact that there are certain sizes which are always called for?—That is what we live on; when they run short we make them.

6242. You can make them as cheaply as imported, surely?—No.

6243. Let me inform you that I, as a merchant, do not import. My firm, who are importers of these goods, are not able to import them under this tariff?—That is not the experience here. They are landing them now.

6244. I am glad to hear you say you do not think the preferential rate is a fair tax?—No. The preference is only given if the goods are sent direct from the factory. We generally pack and send to the merchants, and then if they have to send them from their stores, they cannot get the preference.

6245. And that practically makes the merchant unable to buy from you?—And therefore we are willing to forego that.

6246. Do you not, as a matter of fact, get a good deal of the manufacturing of jam tins and those things in this country?—Very few. We are making more than formerly, but no great quantity as yet.

6247. I understood it was the case?—We are not making a great many jam tins.

6248. Do you make parts of jam tins?—*Mr. Brown*: We make them complete, but not in great quantities, chiefly because a large jam factory here make their own.

6249. They find it economical to make their own?—Yes.

6250. Evidently they find it does not pay them to import?—Yes. That is not a speciality, although we can make them, and probably cheaper than the jam manufacturer himself.

6251. With regard to the making up of the small tins for such things as tooth powders, is it not a fact that the bulk of those goods are proprietary articles?—We do not know about the bulk.

6252. Is it not a fact that some of them are proprietary?—We know there are goods which can be put up in small packages, and another thing is we could make the boxes; as a matter of fact we make a few now.

6253. You could not make boxes for proprietary articles. Could you make the boxes for Calvert's tooth powder?—*Mr. Maytham*: Why not ship out the tooth powder in bulk, and put it up here?

6254. Do you think the manufacturer would do it?—If he would not someone would get the market with another tooth powder.

6255. *The Chairman.*] I suppose, Mr. Maytham, the bulk of your trade is native trade?—No; it is part of our business, but not the bulk of it.

Mr. Brown: The native is as 11 is to 8; taking 19 as the standard, 11 is native trade and 8 the other.

6256. Then the bulk is native trade?—Yes.

6257. You are not so much affected by the railway here on account of the ox wagons?—No.

6258. Do you not think the merchants may have a prejudice against your goods because every one has to deal in them? Do you not think the merchant gets up a special cut line to take away the trade of the others? Does that affect your trade to a great extent?—To a very great extent. As a matter of fact some of the lines they sell for 2s. 9d. per dozen we cannot manufacture much cheaper, and they get them in Basutoland and sell at 3d. We have had an instance where they have sold under cost.

6259. You think the duty in this way would protect you against this?—It would prohibit their importing.

6260. Really you do not want any further protection on bulky goods, only on things which are nested?—Yes.

6261. You might alter your statement to read that you do not want further protection on bulky goods?—The only reason for putting it like that is that it would be simpler; if we enumerated each article we wanted, I do not suppose the Commission would take much notice.

6262. The point is you have sufficient protection on bulky goods, but not on those which are nested?—No.

6263. *Mr. Pyott.*] You think the tariff should be fixed for a period? What period do you think?—We have mentioned ten years, because if we got new machinery for making new goods and wrote 10 per cent. off for depreciation, at the end of the ten years it would be paid for.

6264. And suppose at the end of the ten years they took away the protective tariff?—I think by then we ought to be able to run on our own.

6265. The industry should be able to stand on its own legs?—Yes.

6266. Jam tins are not imported into this country?—Not that we know of.

6267. I think you said you could compete under the present tariff in most cases, but the merchants would not give you the preference; that is the point—you want to protect yourself against this?—That is so; we want a protective duty so that our articles will be sold, whereas now they are imported and sold at a very small margin of profit, and in many instances without any profit at all.

6268. You deal with the merchants and not with the retailers?—We prefer to deal with the merchants if we can, but they sometimes make it impossible for us.

6269. Does that force you to go to the retailer to find a market for your goods? —Yes, we have to at times to get a turnover at all. We manage to allow a discount to the merchants that is not given to the retailers in some instances.

6270. You make a special discount for the wholesale man?—The difficulty is to define who is a merchant and who is not—to get the business.

6271. You say the merchants make a convenience of you when they are short of stock. Is that so?—*Mr. Maytham*: I do not like to put it exactly that way, but when they run out of an article they are accustomed to import they come to us for it.

6272. But they do not give you the general bulk of the orders?—No. In numerous instances we have offered, if they would submit their indent to us, to quote a lump sum price, and they have promised to, but it has never been done, and the shipments come just the same.

6273. You think the 25 per cent. would compel them to place the business with you?—Yes.

6274. The difficulty is they prefer dealing through their houses in London?—That is so.

6275. On page 3, clause 1, of your statement, you have: "Tin plates, plain lacquered coloured or figured not cut to any particular pattern or stamped, but imported in stock sizes for manufacturing purposes: Free." You want them to come in free?—Yes.

6276. You know there are many tins imported into this country which are printed on the tins before they are made up?—We would like a duty of 25 per cent. on them,so that it would encourage the manufacture of lithographed tins in the country, but I do not think for a moment that that could be done until the tariff had been running some years—before someone could find out whether the demand was sufficient to guarantee the provision of the very expensive lithographing plant.

6277. Would you have the lithographed plates in full sheets come in free, or have 25 per cent.?—25 per cent. on lithographed plates.

The following letter was subsequently put in in explanation of the point raised by Mr. Kayser in connection with the Australian Commonwealth Tariff:—

East London, 20th November, 1907.

To the Chairman,
Tariff Commission,
Chamber of Commerce.

DEAR SIR,—With further reference to Sheet Metal Trades and our mention of the Sister Colonies Customs Tariff, we would be glad if you would kindly attach the following explanation to the questions asked by a member of the Commission.

The New Zealand Duties imposed at the Customs are as follows :—

Galvanized Iron Manufactures n.o.e. made up from Galvanized Iron, or from Plain Sheet Iron and then Galvanized. (From British Dominions) ...	25 per cent.
Iron :—Sheet, Plate, Bar, Hoop, Rod, etc. (British)	Free.

This therefore allows a manufacturer a margin of 25 per cent. The Australian Tariff is somewhat different and from a casual glance it would appear that it is not framed as a Protective Tariff for the manufacturer, as the duty imposed upon Plain Sheet Iron is 12½ per cent. and the manufactures of Metal 27½ per cent. (British) or 15 per cent. margin.

We would however point out the 12½ per cent. duty is prefaced by the remark "to come into operation on dates to be fixed by Proclamation to issue as soon as it is certified to Parliament by the Minister that the manufacture to which the Proclamation refers has been sufficiently established in the Colony," therefore, if as we are informed by one of the Commissioners, the proposed tariff published by the *Board of Trade Journal* is now an established tariff, it conclusively proves our argument that in time the additional protection could be withdrawn, or to follow the same methods employed by the Commonwealth, the Industry once establirhed would be able to bear a tariff on the Sheet Metal imported for Manufacturing, thus providing a substantial permanent revenue to the country.

Yours faithfully,

A. C. MAYTHAM & CO.
P. E. BROWN.

Tanning and Allied Trades of Boot and Shoe, and Harness and Saddlery Manufacturing.

Francis William Hulse, Saddle and Harness Manufacturer, examined.

6278. *The Chairman.*] You wish to give evidence on saddlery and harness?—Yes. I put in a written statement. The following statement was handed in:—

1. Harness, Saddlery and Leather Goods generally or Goods made up partly of Leather	40 per cent.
(With the exception of *Leather Travelling Bags and Trunks*), Horse or Mule Fetlock Boots, Kneecaps, Loin Covers, Horse Rugs and Surcingles, Leggings, Riding Saddles, Horse Brushes, and Leather Sporting Goods ...	15 per cent.
2. Harness Furniture and Mountings, Buckles, Thread Hemp, Wax Pitch, Tools, Machinery or parts thereof, Saddle Trees, Patent Leather, Pigskins, Collar Checks, Serge and Felt	Free.

6279. *Mr. Kayser.*] Why do you ask for the 40 per cent. protection as against the present duty of 25 per cent.?—25 per cent. is not sufficient at the present time to compete with the cheaper makes of English and American harness. It is sufficient with the better class, but not the cheaper makes. Supposing a duty of 25 per cent. were imposed on leather, that would increase the cost of leather to the manufacturers. At the present time it can be purchased at a lower price than Colonial leather.

6280. The duty on leather to-day is 15 per cent.?—Yes.

6280A. There is nothing here said about that?—I only ask for this duty provided there is an increased duty imposed on leather.

6281. Do you buy your harness leather in this country?—Some, but we import the majority.

6281A. Why?—Because it is cheaper.

6282. Is the Colonial article of equal quality with the imported?—It is.

6283. If it were an equal price, you would buy the Colonial?—We should certainly give the preference to the Colonial.

6284. What is the difference in the price of Colonial and imported leather?—The Australian leather is 1s. 7d.—that is good leather—and English 2s. as against Colonial 1s. 10d. and 2s. 4d. That is comparatively. The Colonial at 1s. 10d. would compare with the Australian, and the Colonial at 2s. 4d. would compare with the English leather.

6285. What is the present duty on harness furniture and mountings?—15 per cent.

6286. You ask for these to come in free?—Yes. The difference made in a set of harness by the mountings coming in free would be 2s. to 5s. on a set.

6287. You say at present you have competition from America and elsewhere in the cheaper classes of harness?—Yes.

6288. Therefore if this duty were imposed the price of the cheaper class of harness would be increased?—Yes.

6289. What class of people use that harness?—Farmers and people generally—everyone more or less.

6290. The buyers of the cheaper harness would have to pay more for it?—Yes; that is until the price of the leather came down. Then we consider there would be more competition in the leather, and the cost would be decreased.

6291. Have you any local tannery?—No.

6292. Therefore you are to a certain extent dependent on the imported leather?—We can get it from Port Elizabeth and Cape Town. There is a tannery in King Williamstown. I do not think they make harness there at the present time.

6293. You have no hesitation in saying that the Colonial harness leather would be suitable for your trade?—No hesitation whatever.

6294. We have it in evidence that it is unsuitable?—I have not found it so. I have found samples of Colonial leather quite equal to English.

6295. At all events, for your own business you would be prepared to use it, provided you could get it at an equal price?—Certainly.

6296. *Dr. Viljoen.*] Can you give the Commission an idea what is the percentage of Colonial leather that you use in your manufactory?—5 per cent.

6297. You have 5 per cent. of the Colonial and want an additional duty?—On harness.

6298. Is that any encouragement for the Colonial production?—It would be. I say again that we ask for an increase of duty to 40 per cent., presuming a duty of 25 per cent. is levied on leather, so as to protect their industry. Practically the two industries work together. It would make the imported leather dearer.

6299. It would be no inducement to you to use Colonial leather?—We should use it in preference if the price were equal.

6300. You are not using it now?—Why should we if we can buy cheaper elsewhere.

6301. *Mr. Pyott.*] You would be satisfied with a duty between leather and harness of 10 per cent.?—Yes.

6302. The Colonial leather, if low enough in price, is quite good enough for your purpose?—Yes.

6303. What class of harness do you make?—All classes.

6304. Do you make the gebruide harness?—No.

6305. It is all made of brown leather?—Yes.

6306. Do you find the Colonial leather is equally as good as the imported?—As far as I have seen.

6307. You have had no complaint from people to whom you have supplied Colonial leather made into harness?—No.

6308. We have had it in evidence that you cannot get it in equal thickness all through?—I do not think it varies with any other.

6309. You have no complaint in that respect?—No.

6310. It is purely because of the difference in price that you prefer to use the American and English?—English, not American.

6311. Do you not get American?—No.

6312. Do you not think it is as cheap?—Not harness leather.

6313. Sole leather?—I do not know much about that.

6314. You are purely a harness maker?—Yes.

6315. I think you said whatever increase was put on harness would be an increase to the consumer?—I think so, for a time.

6316. Do you not think by big protection you would do a larger class of business?—Certainly.

6317. Would that not enable you to reduce your first cost?—I say at first it would increase the cost, but eventually it would come down by reason of the larger turnover. We should be able to put down machinery and employ a larger number of hands. As it is we only have a few hands, and have to pay rent, etc., just the same.

6318. It would reduce administration expenses?—Yes.

6319. How many hands do you employ?—Six.

6320. White or coloured?—Three white and three coloured.

6321. What is the average rate of wages for the white men?—65s.

6322. And for the colured men?—21s.

6323. The 10 per cent. difference in the duty would be quite sufficient to enable you to go on with your business?—Yes.

6324. You have put leather bags and trunks in the 15 per cent.?—Yes.

6325. Are you aware these are being made in Cape Town?—I did not know that.

6326. You will admit they can be made here?—I do not think 40 per cent. will be sufficient.

6327. Why not?—It is an industry in itself.

6328. We are making them in Cape Town?—There are so many kinds of trunks—Gladstone bags, kit bags, etc.

6329. Do you not think we should encourage the consumption of our own labour and hides in this country?—If it can be done cheaply.

6330. You do not press this 15 per cent.?—No.

6331. You speak of leggings and riding saddles. Saddles cannot be produced in this country?—They can, but I doubt whether they could be at anything like the Home price. It is an industry in itself. Harness is different. A saddle-maker is limited to saddle-making. The same with collars.

6332. If you can make harness in this country why not collars?—The manufacture of collars is an industry in itself. Certain people at Home do not make anything but collars. A collar-maker cannot make a bridle or harness or do anything but make collars.

6333. Are collars being made in Cape Colony to-day?—Very few. They can be made.

6334. Do you not think there is a possibility of your men being trained to do this work?—No.

6335. Is there anything against the Colonial leather for collars?—It is not suitable.

6336. I suppose you are aware they are being made in this country?—Not to any great extent. I have a man who can make a collar. He is the only one.

6337. What is he?—A white man.

6338. Not a Hindu?—No.

6339. We were told the Hindus are the only ones who can make them. Is that so?—I do not think so.

6340. Have you any difficulty to get Colonial leather to go round the buckle? Does it break?—No more than other leather. All leather will break if put round in the wrong way.

6341. *Mr. Tod.*] As a harness maker, you are not against encouraging the production of leather in the Colony by increasing the tariff? No .

6342. I suppose you think that with the increase of competition the price of Colonial leather would come down, which would put you in a better position?—Yes.

6343. You would be satisfied with a differentiation of 10 per cent. between the duty on leather and the duty on manufactured harness? You think it would stimulate your industry?—Yes.

6344. *Mr. Scott.*] You do not know much about the making of saddles, I understand?—No.

6345. We have saddle-makers in Cape Town. What duty have you on saddles?—15 per cent.

6346. Supposing the saddle-makers in Cape Town wanted that increased would you be in favour of allowing that?—I do not think so, because as far as we are concerned at present we cannot buy saddles in the country at anything near the price they can be made at Home for.

6347. Could a good quality of saddle be made in this country?—Certainly. It is only on the cheap lines I am speaking of. A good saddle can be made in this country just as cheaply as at Home and at practically the same price.

6348. Where do you get your leather?– From Australia and England.

6349. Have you tried Cape Town for harness leather?—Yes. I have some on order from there now.

6350. Do you find it suitable?—Yes.

6351. With regard to collars, will you tell the Commission why you cannot make them?—Because there is a special body of men at Home who make them, and it would not pay them to come out here, because there is not sufficient work at the present time.

6352. The ordinary harness maker in this country does not make them? Except on special occasions to order.

6353. What is your idea with regard to the length of the tariff? It should be as long as possible—the longer the better; say ten years. In ten years the industry would become settled.

6354. It would be an incentive to you to put down more machinery?– Exactly.

6355. Are you taking on many apprentices?—No, we are not, simply because the trade is not settled. Sometimes we employ fifteen or twenty men, but it is only a spurt.

6356. How many have you at the present time?—Only six.

6357. No apprentices?—No.

6358. Do you not think it is probably on account of the fact that you make a speciality of your part of the business and do not go in for it generally? You do not make a collar or a saddle, for instance?—I do not think so. There is any number of articles outside saddles and collars which can be made provided the tariff is altered. Take dog collars and a lot of the smaller articles made from leather. They could be made from waste leather, which cannot be used at the present time.

6359. Would it not be an inducement to apprentices to learn the harness trade if there were more articles made?—It would, certainly.

6360. *Mr. Harlow.*] You said just now you required a special leather for collar-making?—Yes.

6361. Could not that leather possibly be tanned in this Colony?—Decidedly.

6362. Do you find there is any prejudice at all against Colonial manufactured articles in your line?—No.

6363. They prefer them if anything?—As a rule people prefer Colonial harness to imported.

6364. Does the preferential railway rate in any way affect you?—No.

6365. It is a matter of little moment to you whether it is removed or not?—Yes, it does not affect us.

6366. Supposing your industry were permanently established, do you think you could possibly carry on if the tariff were removed at a subsequent date?—At the end of ten years, say?

6367. Yes?—That is looking a long way ahead. I would not like to say that.

6368. You cannot give a definite opinion?—No.

6369. Do you think you could possibly protect your industry by any other means than by a Customs tariff?—I do not think so. I do not see any other way at all.

6370. Have you studied the question of bounties on manufactures?—No; I have not given it any thought at all.

Tailoring and the Manufacture of Wearing Apparel of all Descriptions.

Thomas Timms Hughes, of Hughes & Co., representing the Master and Journeyman Tailors of East London, examined.

6371. *The Chairman.*] You wish to give evidence on tailoring?--Yes. I have a written statement here. Witness handed in the following statement:—

TAILORING.

At a meeting held by the master and journeyman tailors of East London, it was unanimously resolved to recommend, that Government be asked to impose a duty of 45 per cent. on all Bespoke Clothing or Clothing Made to Measure, imported into this Colony, either by private individuals for their own use, or by wholesale or retail firms.

That ordinary Ready Made Clothing be imported as at present under the existing tariff of 12 per cent.

To prevent evasion of this recommended tariff; the makers, manufacturers, or exporters of mens clothing, be compelled to attach to all invoices of their goods for exportation to this Colony a declaration clearly stating whether the garments are Bespoke Orders, Clothing Made to Special Measures, or Ordinary Ready Made Clothing, and furthermore, the importer of any of these goods, be compelled to sign a declaration to the same effect at the port of entry into this Colony, at the time of clearance of the goods through the Customs.

That raw materials (woollens and trimmings) for *bona-fide* use in the tailoring trade, be reduced from the present tariff of 12 per cent. to 5 per cent.

6372. Will you state to the Commission on what points you wish the Tariff to be amended?—We wish to have a duty of 45 per cent. on all bespoke clothing made to measurements taken here.

6373. Is there any other point?--The recommendation that, if possible, woollens and trimmings for *bona-fide* use in the tailoring trade be reduced to a tariff of 5 per cent.

6374. *Mr. Tod.*] You do not anticipate any difficulty in drawing the line between the ready-made and the bespoke clothing?—No. We suggest, to prevent evasion of this recommended tariff, that the makers or the exporters in all cases should attach a certificate to the goods stating whether they are ready-made or made to measure or bespoke in any way, and also that the importers sign a certificate at this end at the time of importing the goods.

6375. As a tailor, you think that would have the desired result?- I think so.

6376. Do you find your business is seriously interfered with by this bespoke trade?—The trade has been throttled by it.

6377. Is the quality the same?—Not usually. The goods are generally factory made.

6378. What about the price?—There is no fixed price. The man buying does not know whether he is getting value.

6379. Do you think people in the country would have to pay such an increased price for their clothing as this duty would seem to point to?--It probably would mean a little extra cost at first. We think with a bigger turnover we could reduce the price.

6380. Would you raise your prices at first?—No.

6381. You would have to reduce the wages?—No. In our firm we could do twice the turnover at less than twice the expense.

6382. That is the administrative part?—Yes.

6383. *Mr. Harlow.*] I would like to make a point about defining the ready-made and the bespoke clothing. Do you not see there would be a difficulty there?—I do not think so.

6384. Not in the Customs?—I do not think so. I think a firm of repute at Home would not sink so low as to make a wrong declaration.

6385. You do not think so?—Not broadly speaking; there may be some who would.

6386. Provided this tariff was put on, do you not think it would be advisable if they put a label on the goods?- That would be a very good suggestion.

6387. With regard to these trimmings and woollens, do you not think that would open the door for other people to import?—That was the recommendation brought forward by our association, but personally I do not quite see how it will be done, although I see in the saddlery and shoemaking trades they get their sewing threads at a very much reduced rate.

6388. Provided the tariff was left as it is now, it would not be a great amount of expense, would it?—It would not make very much difference to the cost of a suit of clothes. It would make a difference of a few shillings in a suit of clothes.

6389. What class of labour do you use?—All white labour; no black labour at all.

6390. Have you any difficulty in getting apprentices?—I do not think there are more than two apprentices in town. The trade is so bad now that people will not put their boys to it any more.

6391. Do you think if the trade was protected you would get more apprentices? —I do.

6392. Would you mind telling the Commission about the rate of wages paid?—I should think if a sewing tailor is fully employed during the week he earns between £4 and £5—if he works six days regularly.

6393. It is all piecework, I suppose?—Yes. Of course a coat hand will earn more than a vest hand.

6394. *Mr. Pyott.*] You propose a duty of 45 per cent. on bespoke clothing only? —Yes.

6395. Not ready-made?—No; we do not wish to interfere with that. We think a poor man should get a *bona-fide* suit of ready-made clothes for £2. We want to get at the bespoke clothing.

6396. These clothes are being hawked all over the country—samples?—Yes. It is throttling the trade here. I do not think there are more than forty journeyman tailors employed in this town. Now they are fairly busy, but after Christmas they will probably be working half-time. I know two tailors in town who could not find work. One has joined the police and another the railway as a timekeeper.

6397. You think with 45 per cent. duty on bespoke clothing it would give employment to all?—Yes, and a good many others as well.

6398. And bring more people into the town?—Yes.

6399. Is any of the tailoring done by coloured people?—No; in East London it is all white labour.

6400. What would be a tailor's wage, on the average, all the year round?—That would be difficult to say. Some weeks they cannot earn more than 50s.

6401. Would they average £3 10s. a week during the year?—I think a good coat hand should average more.

6402. *Mr. Kayser.*] How many men do you employ?—Fifteen at present.

6403. If your business were doubled how many would you probably employ?—I think with the protective duty we could employ more than double. The local trade is limited, and we have to go further afield.

6404. Your administrative department would not be increased very materially, and you would be able to charge a little less with a bigger turnover?—I am sure of it.

6405. If the duty you ask for were imposed, on whom would the extra price for clothing fall?—On the consumer, undoubtedly.

6406. What class of consumer?—I think on the men who could afford to pay.

6407. Men in the position to order from the tailors?—Yes.

6408. Is it not generally a clerk, earning £10 to £15, who orders the bespoke clothing?—A number of them.

6409. The extra cost would fall on that class?—Certainly. It would fall on whoever orders the clothing. I think a good many of them pay nearly as much for the suits of clothes as we can make them for here now.

6410. You say "ordinary ready made clothing, imported as at present, under the existing tariff of 12 per cent."?—Yes.

6411. Do you think that word "ordinary" would allow the Customs people in collecting the revenue to discriminate?—I think the certificate attached to the invoice would have the desired effect. I take it a decent firm at Home would not make a wrong declaration, and then the importer of the goods on this side should sign a declaration, and I take it all the tailors in the country would act as private detectives.

6412. I take it the importer would sign in a *bona-fide* manner. Would he know how they were made?—He would know how he ordered them.

6413. *The Chairman.*] The Customs have the power of examining the books of the importer?—We should know that the ordinary agent would not import ready-made goods—the man with an office at £2 or £3 a month. We could get at that man all right. It is the ordinary merchant and trader who orders these things who we should get at.

6414. Does not the ordinary tailor do this importing?—Yes. I suppose nearly every little store in the country has a book of patterns and is an agent for some Home firm.

6415. *Mr. Scott.*] Do these bespoke suits of clothes come through the parcels post?—A lot, and some are imported in bulk, I daresay.

6416. Does the parcels post in that case interfere with your business?—To a very large extent.

6417. Can you make any suggestion with regard to remedying that evil?—We think this 45 per cent. duty would do a good deal towards it.

6418. You think that would tend to put down the parcels post system as far as clothing is concerned?—I think so. I think with the 45 per cent. duty we should be able to compete with the Home-made article.

6419. I think you said the increase of the duty would fall on the small salaried man?—Of course, it would fall on the buyer of the suit of clothes, whoever he might be.

6420. As a rule, do not men who are in receipt of a small salary buy the ready-made factory article?—Yes, but take the case in point of the clerk. He can walk into a ready-made store and, as a rule, buy a *bona-fide* ready-made suit of clothes as good as the bespoke suit made to measure. A lot of these suits are made by the same factory. If you pay 10 per cent. extra the manufacturer will make a suit to order instead of charging the ordinary ready-made rate.

6421. The clerk would be able to get a suit of clothes suitable for all ordinary purposes at the store?—He would.

6422. Then this increased duty would really fall on those people who could afford to pay it?—Yes.

6423. *The Chairman.*] Do you think you will benefit much here if this duty is imposed? Do you know that in Cape Town and Port Elizabeth a great proportion of this work is done by coloured labour?—I have heard they have Malay labour in Cape Town.

6424. Do you know it is practically a sweating process there and it is done at very low rates?—I know little at all about Cape Town, and can only speak about East London.

6425. Do you not think it is possible that if you put this duty on they would send their travellers round from Cape Town?—They do now.

6426. And they would quote terribly under you?—They do now, but I think the local people would prefer to support the local house.

6427. *Mr. Pyott.*] Can you give us any idea of the commission the agents make on the bespoke clothing?—Of course there is a rate charges from the various makers. I should think the average suit made like that would cost 35s. to £2 at the most, and they charge here anything from 3 to 5 guineas.

6428. That is practically 100 per cent.?—I should think they make fully that in a good many cases.

6429. *The Chairman.*] You have protection in that way; if they make a profit of 50 per cent. it gives you a protection of 50 per cent.?—We have, but a good many of them buy these suits at three guineas.

6430. *Mr. Kayser.*] Have you any objection to telling us the price of an ordinary lounge suit of clothes here?—£5 to 5 guineas, less the usual 5 per cent. discount.

6431. These men get from 3 to 5 guineas?—Yes. They make a very much bigger profit than we do.

Miscellaneous Industries, &c.:—Ink Making.

Robert Colville, Ink Manufacturer, examined.

6432. *The Chairman.*] You wish to give evidence on the manufacture of ink?—Yes. I have a written statement here. Witness handed in the following statement:—

> What we complain of is:—That the original cost in England of 6 gross various sizes Ink Bottles is £3 13s. 3d.: to get them to East London the cost is £4 9s. 10d. in freightage alone, irrespective of Wharfage, Insurance and Customs, by Union-Castle Intermediate. (These same goods from New York to East London by "Prince" Liners cost only £1 2s. 6d.) making it an impossibility to compete with the home firm for Government contracts. The Government contract is 10s. 2d. a dozen Quarts Blue Black, f.o.b., England, and landed to merchants under old tariff was £1 6s. 0d. since which tariff has been raised. We can compete at present at landed cost to merchants, but not against a home firm supplying Government owing to difference. In regard to the Ink manufacture we should advise a heavy duty on *all* imported inks and a very small duty, if any, on Chemicals, Dyes, etc., for making of the same, and if anything can be done as regards freightage on bottles we should esteem it a favour in the scale of freightage as between merchants and Government.

6433. Will you state more fully what you want?—The freight on bringing out empty bottles does not enable us to compete. The freight on the empty bottles to make up the ink costs more than we can supply the ink for to compete with Home firms.

6434. You complain of the freight on empty bottles?—Yes; and the Government gets a concession in fetching out empty bottles which the merchant does not get.

6435. We are not here to consider the freight question. Ours is a question of the Customs tariff. Do you want an alteration in the Customs tariff? There is no duty on bottles?—Why do we have to pay this £4 odd on bottles from England to here?

The Chairman.] There is no Customs duty. We cannot control the Union-Castle Company.

6436. *Mr. Pyott.*] What is the duty to-day on ink coming in?—15 per cent.

6437. Do you want to increase that in any way?—It would need to be increased.

6438. How much more duty would you require?—I could not say.

6439. Will you let us know before we leave?—Yes.

6440. *Mr. Tod.*] Do you manufacture ink?—We have done. We have supplied the Cape Government Railways. We make it from the raw material.

6441. *Dr. Viljoen.*] Is the raw material made in the country?—No; it is mostly imported.

6442. What percentage is produced in the country?—I do not know whether there is much percentage of it produced in the country at all. I think the ingredients are practically all imported.

Jewellery.

Morris Garfinkel, Jeweller, representing the Watchmakers and Jewellers of East London, examined:

6443. *The Chairman.*] You wish to give evidence on the jewellery trade?—Yes. I put in a statement signed by four jewellers and watchmakers of East London. The following Statement was handed in:—

East London,
November 20th, 1907.

GENTLEMEN,—We the undersigned Watchmakers and Jewellers, of East London, propose the following: That a duty of 60 per cent. be imposed on all Watches, Clocks and Jewellery imported by private individuals as at present any person not a *bona-fide* dealer is able to import such articles at the same duty as paid by licensed Watchmakers and Jewellers and thus are in a position to undersell us who depend on their trade.

S. J. COOK & SON,
MICHAND & BRO.,
H. WEHLE & CO.,
MYERS BROS.,
R. MYERS.

6444. *Mr. Pyott.*] What is the duty on jewellery to-day?—12 per cent.

6445. And you want a sub-charge of 48 per cent. on private importations?—Yes.

6446. That is a reasonable suggestion?—Yes, because any person can send Home to a so-called maker and obtain his watch for 10s., whereas those dealing in watches out here have to sell the same watch for £1.

6447. Those are watches coming through the post?—Yes.

6448. On a watch costing 10s. in England you would put 11s. on here?—No. We would have to retail it for £1.

6449. What postage will he pay?—6d.

6450. Take a clock, for instance?—Clocks are different to watches. A clock would not come through the post.

6451. You think this is a reasonable suggestion?—I do. If that duty were imposed on private individuals importing goods, people with capital could turn round and manufacture clocks and watches here, whereas to-day they cannot.

6452. *The Chairman.*] There is no other point besides that?—No.

6453. *Mr. Pyott.*] You want to impose 60 per cent. on clocks, watches, and jewellery imported?—Yes.

6454. By yourself?—No.

6455. That is class legislation?—It may be but under the conditions of doing business out here it does not give the jewellers a chance.

Parcels Post and Auction Sales.

John James Whitaker, of Whitaker, Paterson, & Brookes, examined.

(The Chairman read a petition which had been presented by the different firms in East London regarding the parcels post; printed at end of the evidence.)

6456. *Mr. Tod.*] Your suggestion of 10 per cent. seems a very high one. What is the value of an importer's licence?—£12 10s.

6457. What would be the average cost of goods which an average importer would bring out?—They vary from 1s. up to £4 or £5 by parcels post.

6458. I mean the average importer, paying the importer's licence? You are an importer?—Yes.

6459. Of course I do not want to know your business, but you import thousands of pounds' worth of goods? Yes.

6460. And so £12 10s. bears a small proportion to the amount you import?—We have to pay a retail licence as well, and also contribute to the taxes.

6461. The people importing the parcels are also no doubt paying towards the revenue of the country?—No.

6462. Are they not taxpayers or, at any rate, consuming things in the country?—I think most of them are not taxpayers.

6463. It is impossible to say that, because the bulk of the revenue is derived from the Customs and Excise, and the people must eat and drink, and probably they are equal taxpayers with ourselves except in regard to the licence?—Yes.

6464. You are only paying £12 a year as applied to thousands of pounds' worth of imports?—Yes.

6465. And yet you ask this other man to pay 10 per cent. Would not the effect of this be to drive people wishing to get a small thing from England to get it through an importing merchant?—No, because the importing merchant would get his trade. What we object to is that the traders in England send their circulars to this Colony, and they are hawked about the town and they get orders from individuals, and those things are imported to the customers direct, and they only pay the duty we pay on our goods.

6466. Would not the solution be to make the Colonial postage rate, say, half what the imported rate is? You say the trader in England can send all over the Colony parcels at practically the same rate you have to pay on parcels from England through the post?—Yes.

6467. The probability is you do not use the post much for your imports; they come in bulk?—Yes.

6468. Therefore, if you had a low parcels rate in the Colony you would be in a strong position. Of course your argument is that everyone should be compelled to deal through a Colonial trader?—Not necessarily, but I ask that they should pay a proportion. They go free from any taxes or rates or anything else. I know it is a fact that often women get orders for Liverpool and Manchester houses and get the parcels direct from England at the ordinary rate of duty. They have to pay no licence or rates or taxes or any other expense connected with the progress of trade in this country.

6469. But you are forgetting the consumer, because he is paying rates and taxes in the Colony. The probability is if you had a proportionate charge on the traders at Home to make up for the licence at this end, something less than 1 per cent. would be sufficient, and not 10 per cent. as you suggest?—I do not think so.

6470. It would probably amount to more than you are paying through your licence?—We have to employ labour here to a great extent. We have sixty to seventy hands to employ.

6471. Probably the very men you are employing are importing the goods?—No. We are quite prepared to pay even the same duty to get the parcels direct to our business, in order to protect us from the other part.

6472. You only wish it to apply to parcels?—Yes. There would be no expense in collection. This has grown to an enormous extent in the Colony the last two years, and it does affect the retail trade very much.

6473. *Mr. Kayser.*] Can you tell me what the proportion is of the parcels post compared with the general imports?—That is not a fair comparison. Do you mean the parcels imported by parcels post by the merchants, or by individuals?

6474. The whole of the parcels post of the country as compared with the general imports?—I could not tell you.

6475. It is nearly 2½ per cent.; that is the whole of the parcel post?—I do not like it put in that light—about the bulk of importation against the parcels post.

6476. With regard to the question of a licence, and your idea that these people should pay an importer's licence, has it occurred to you that the method in which we collect our importers licences is against that suggestion? You know, of course, how the importer's licence is imposed?—Yes.

6477. A man might import goods until the 20th of December and not pay as an importer?—Yes.

6478. If he imported £1,180 worth of goods, he would not be an importer?—No.

6479. *The Chairman.*] I think what they want, according to the petition, is a 10 per cent. duty on goods imported by the parcels post, even if imported by merchants. The witness states they are prepared to pay this themselves.

6480. *Mr. Kayser.*] A man might say, "I am an importer. I am going to import £1,200 worth of goods." What would you do—charge him 10 per cent.?—Yes. I have argued the matter with several individuals, and they state there would be difficulty in differentiating between the importer and a private individual, but wherever an importer is he has a registered licence, and that licence is at the Magistrate's Court.

6481. I am pointing out that he may not have his licence till the end of the year. You first have to pay a dealer's licence, which is £3, which entitled you to import goods to the amount of £1,195, and immediately you go beyond £1,200 you are called upon to take out an importer's licence?—Yes.

6482. As a matter of fact, there are regular importers who take out a licence at the beginning of the year without any question?—Yes.

6483. My question is exactly how you would distinguish between the importer?—As I say, you cannot distinguish between the importer and an ordinary licence, but the objection we have is that, in regard to the bulk of the parcels post importing, they pay no licence whatever, and it is such a serious drawback to the retail trade, which is very extensive.

6484. Why not suggest they take out a dealer's licence to begin with?—That would be taking out a licence if they paid 10 per cent. If a revenue stamp for 10 per cent. had to be put on every parcel, it would be paying a licence.

6485. It would be class legislation?—No.

6486. You say every one would pay that, including the merchants?—Yes.

6487. Is that your opinion?—That is more than my own opinion.

6488. You want a 10 per cent. duty imposed on all goods coming through the parcels post?—Yes.

6489. *Mr. Pyott.*] Is this 10 per cent. over and above the duty already levied on the article you are importing?—Yes.

6490. Even if paying 25 per cent. duty, it has to pay the extra 10 per cent.?—Yes.

6491. *The Chairman.*] Is it cheaper to import by parcels post than goods in the ordinary way?—No. The only reason, I suppose, of merchants importing through the parcels post is for quickness. There is little difference.

6492. We have had it said that in some cases the importers can get goods by parcels post—that is, not regular importers—and get better facilities and dispatch, and do it cheaper than by importing in the ordinary way.

6493. It may affect up-country rather more than here.

6494. One witness wanted all importers to pay an agency fee. Have you thought of it in that way?—No. In East London I have seen an enormous trade done by private individuals in getting out parcels of every class of goods, and it is increasing to that extent that it is becoming a serious thing.

6495. *Mr. Pyott.*] You do not make any complaint of the difference between the English and Colonial postage rates?—No.

East London,
18th November, 1907.

Customs Tariff Commission,
of Cape Colony.

Gentlemen,

We, the undersigned, would respectfully bring to your notice the injustice of Goods per Parcel Post coming into this Colony without any charge being made beyond the ordinary tariff duty.

We consider this an injustice to Colonial businesses who have to pay trading and importing licences, saying nothing of the fradulent practice of private people getting goods through under value, for without original certified invoices it is impossible to get at a correct value, besides the direct loss of Revenue.

We consider the enormous increase of parcel post business, giving the advantage of English and Foreign trades without paying licences or rates in this Colony, should demand the attention of the Government, and a Revenue Stamp, of not less than 10 per cent. on the invoice value, in addition to the present charges should be levied.

Should the Commission find difficulties in making a difference between Licence Holders and Non-licence Holders, we would suggest making an additional charge of not less than 10 per cent. on the present tariff on "all" goods per Parcel Post.

Whitaker, Paterson & Brookes, Ltd.,
J. W. Whitaker, Managing Director.
Gifford Bryant & Co.
H. Fletcher & Co., and Others.

CRADOCK, 22nd November, 1907.

PRESENT :

GEORGE WHITAKER, ESQ. (Chairman).

C. F. Kayser, Esq.	G. A. Scott, Esq.
C. E. Tod, Esq.	J. Harlow, Esq.
Dr. A. G. Viljoen.	

G. Owen-Smith (Secretary and Customs Adviser).

Agriculture and Horticulture and other Farming Industries.

Isaac Benjamin van Heerden, Farmer, examined :

6496. *Chairman.*] You wish to give evidence on the farming industry ?—Yes.

6497. Will you just briefly state to the Commission what points you think necessary ?—I would rather answer any questions.

6498. *Dr. Viljoen.*] Are you a farmer in the Cradock district ?—Yes.

6499. What are you farming ?—I am what we call here a mixed farmer.

6500. What is that ?—I farm cattle, Persian sheep, horses, ostriches, and then I go in for market gardening.

6501. You do not grow grain ?—Very little.

6502. You are mostly a pastoral farmer ?—I think I am just about half of each. You find pastoral farmers are generally ones with large dry farms. They do not do market gardening.

6503. The present duty on meat is 1d. a pound. Do you think it should be raised ?—I think it should be brought up to 2d. As far as my district is concerned, we have quite ample slaughter stock.

6504. You think you have sufficient slaughter stock in the country now ?—Yes.

6505. Have you any difficulty in disposing of your livestock ?—We have, comparing it with what we had in former years ; there is some local difficulty now. I might explain. In former years we used to have the buyers going round the farm and buying stock on the farm, but of late years we have a monthly stock fair, and these stock fairs are sometimes overcrowded—too much stock for one sale—and consequently we do not get the prices we used to get. You can never depend on the prices now. At one fair the price may be up, and at the next down again. Consequently all the buyers go to the stock fair.

6506. What is the average price of a sheep weighing 45 lbs. clean meat ?—Merino ? I ask because we have mostly Persian sheep in the district.

6507. What do your Persian sheep weigh ?—Up to 50 lbs.

6508. What do you get for a 50 lb. sheep ?—About £1 to one guinea at present.

6509. Are you satisfied with that price ?—For a full-grown sheep I think that is a satisfactory price, if you can always get the same price.

6510. You are not so much dissatisfied with the price as with the difficulty in disposing of your stock ; that is your grievance ?—Yes. You cannot depend on the price ; that is the difficulty.

6511. To what do you ascribe that ?—This overstocking on stock fairs.

6512. Are you satisfied with the present duty on grain and wheat ? The duty on wheat is 1s. from the British Empire and 1s. 2d. from outside the British Empire per hundred pounds ; about 2s. a bag ?—I think I ought to be satisfied, although I feel that the producer ought to be protected a little more. I produce wheat on a small scale.

6513. You do not grow much wheat here ?—Yes ; in anything like a good season we produce a good deal more than we require for local requirements.

6514. Do you grow potatoes here ?—Yes.

6515. Do you know the duty on potatoes ?—No.

6516. It is 2s. a hundred pounds. Would that protection be sufficient ?—I think so.

6517. Do you grow lucerne ?—Yes.

6518. Largely ?—Yes.

6519. Do you know the duty per hundred pounds of lucerne ?—No.

6520. It is 2s. per hundred pounds. Would that be sufficient protection for you ?—Yes, I think so.

6521. That applies to oathay, too ?—Yes.

6522. Do you think if they put a little extra duty on wheat—say a duty of about 6d. a bag—that would be an incentive to the farmers to grow more ?—I am afraid not, because we have such unreliable seasons.

6523. Have you ever thought of the suggestion to have a sliding scale duty on wheat, so that when the imported price falls below a certain level the duty can be raised—that is, so as to keep more or less a uniform price for wheat ? Has that occurred to you ?—I would prefer that to raising the duty.

6524. Do you know that there is a preference on the railway for your agricultural produce ?—Yes.

6525. Are you in favour of the retention of the preference ?—Yes.

6526. Would you be satisfied to do away with that preference if you got a compensating protection at the port ?—No.

6527. You prefer to keep the preference ?—Yes.

6528. *Mr. Kayser.*] Do you make butter ?—Yes.

6529. Largely ?—Only in a small way. In the height of the season we make about 20 lbs. a day.

6530. Do you think you could get any assistance from the Railway Department if you could make more ? Is there anything you could recommend ?—I have often felt that we have to sell here in the height of the season for 6d. to 7d. a pound, whereas in large centres they pay up to 1s. and a dollar a pound, but we simply cannot get it away.

6531. Why ?—Because there are no proper trucks for it.

6532. If suitable trucks for carrying butter in hot weather were provided, would you be prepared to pay a little higher rate of carriage ?—It would depend whether it left us a margin of profit.

6533. You say you get 6d. and 7d. here and they get 1s. below. I suppose that, in order to get that price, the farmers would not object to paying a higher rate to the Railway ?—Naturally they would not, supposing the rate was not prohibitive.

6534. You think it would be fair if the Railway provided these trucks and, therefore, charged a higher rate ?—Certainly.

6535. Would that increase the output of butter in your district ?—Unfortunately our district, taken generally, is not a dairying district.

6536. You do not feed ?—Not yet. A few feed their cows, but they are the exception.

6537. You know a very large quantity of butter is imported into this country ? —Yes.

6538. Have you any suggestion by which a larger output might be obtained ? —It is very difficult as far as our district is concerned. At present our farmers are not feeding their cows, and the output is very irregular. With a good season the market is simply flooded with butter, and as soon as it is dry there is hardly any butter produced.

6539. Do you think the fault lies with the farmer or the country ?—It is partly the farmer, and of course our conditions are rather against us. We have very few farms with suitable veld for the dairying industry, and those with suitable veld, again, are not growing feeding stuff for the cows during the winter, and you cannot depend on the output. I might say this in connection with dairy farming, something which I think could be done in our district is to establish small creameries and make cheese in the summer and butter in the winter. That I think is practicable.

6540. Is any cheese being made now ?—No.

6541. Have you anything in the way of co-operative dairying in the Cradock district ?—No. Some farmers living close to the railway have been sending their cream to Adelaide and Bedford Creameries. Of course we, being rather away from the railway, cannot do it.

6542. Surely that is a matter for the farmers themselves, to combine and get something of the kind ?—Yes. I believe we shall have to combine later on.

6543. You have a farmers' association in this district ?—Yes.

6544. You know the Government have been giving a good deal of assistance in that way, and it is a question for the farmers to approach the authorities ?—Yes. I believe we shall do so later on.

6545. *Mr. Scott.*] You say you are mixed farmers in this district ?—Yes.

6546. Could you make any suggestion with regard to increasing the area of your grain production ?—That might be done if more attention was paid to irrigation.

6547. Is the district capable of being irrigated ? Could you get water ?—Yes.

6548. Could you make any suggestion with regard to how that should be done ? —By supporting smaller schemes—by supporting the private farmer and not starting large schemes. We have not any suitable places that have a prospect of paying in our district by establishing these large schemes, but by supporting small schemes there are opportunities.

6549. Do you suggest that the Government should support these small schemes? Yes.

6550. *Mr. Tod.*] The last irrigation scheme deals with all that, only there are no funds available ?—Yes, I believe it makes provision for that.

6551. *Mr. Scott.*] Do you do anything in the district with compressed fodder ?—No. The only compressed fodder we have is lucerne hay at present. It is not cut—just the coarse hay pressed into bales. I think when lucerne hay is cut up and mixed with grain it will be the feeding stuff here, but it is not done at present. There is no plant for doing it.

6552. When is your best time for making butter ?—That depends to a very large extent on our season, but as a rule the butter season is from November up to April.

6553. Then if you produced large quantities of butter you would be able to supply butter to the West ? I think that is about the time our butter goes off ?—Yes. If the butter could be preserved in some way or stored during the summer months that could be done.

6554. You have no cold storage here ?—No, only a few private places. There is no co-operative cold storage here.

6555. You say you get 6d. to 7d. a pound for butter. In the West we get a very much larger price than that ?—It is not every season, but last season it went down to 6d. We had a particularly good season last year and everyone was producing butter, and it was selling at from 6d. to 8d. a pound on the local market during the height of the season.

6556. Can you make any suggestion with regard to cold storage ?—I think I am hardly in a position to suggest. I think it is a matter for the farmers, if they will only work together.

6557. *Mr. Tod.*] In connection with cheese making, of course, as a farmer, you know cheese can be made at great distances from the railway ; it is not necessary to be near the railway ?—Yes.

6558. Therefore it would be of great value to encourage the manufacture of cheese ?—Yes.

6559. Not only do you get dairying started at distances from the railway, but it has this effect that it improves the class of dairying stock ?—Yes.

6560. And of course people who are better situated for butter making could buy their dairying stocks from these ?—Yes.

6561. Would you be in favour of a prohibitive duty on cheese, the same as we have on butter ? At present there is a protective duty of 2d. on butter, but cheese comes under the *ad valorem* rate, which works out at less than ½d., I think. Would you be in favour of a protective duty on cheese ?—I am afraid it would not do, because there is very little cheese produced in my part. I do not know what is going on in other parts of the Colony.

6562. If it is a fact that cheese is being produced in quantities in other parts of the Colony, you would be in favour of it ?—Certainly.

6563. Now with regard to meat, you say in your district you have plenty of slaughter stock ?—Yes.

6564. I suppose you know there is a great deal of imported meat coming into the country now ?—I do not really know what is being imported at present.

6565. Your contention is that, seeing we have the stock in the country, we should stop sending out money to buy stock from foreign countries ?—Yes.

6566. And that is why you advocate a duty of 2d. per pound on meat ?—Yes.

6567. You are satisfied with the duty on lucerne ?—Yes.

6568. Are you affected at all by the preferential railway rates for Colonial produce ?—With regard to what produce ?

6569. There is a lower rate charged for Colonial than for imported produce ?—Yes.

6570. If you wish to send your locally-grown wheat to Johannesburg you can do it at considerably less cost than the imported wheat. Are you in favour of retaining that ?—Yes.

6571. Would you be in favour of it even if you got an equivalent protection at the port ?—I would still be in favour of it.

6572. It has been pointed out that in times of scarcity, when you do not grow your wheat here, you have to pay a higher carriage on the wheat from the coast, because the wheat happens to be imported ?—My very next-door neighbour might share in it. My wheat crop might be a failure, but other parts of the Colony might not be.

6573. But if you have an increased duty put on the wheat at the seaport equal to the advantage which the wheat gets on the railways, your neighbour will be sufficiently protected then. It is just a question for your to decide which way you prefer the protection—whether through the Customs entirely or partly through the Customs and partly through the railway ?—I do not understand that quite clearly enough, As far as I understand, I would prefer the preferential rate on the railways.

6574. To carry it on logically, would you prefer that we increase the preferential railway rate to the farmer's advantage and take off that duty ?—As I say, I do not understand that question sufficiently.

6575. You have not really studied that question ?—No.

6576. *Mr. Harlow.*] You say that at the local stock fairs you do not get the price for your stock that you did before. Do you think these local stock fairs are any detriment to the farmers ?—I certainly think so.

6577. In answer to Dr. Viljoen, you said there was no probability of wheat being produced here in any large quantity ?—Yes.

6578. Will you give us any reason why you suggest the duty being raised on wheat ?—Because certainly there is a portion of the Colony where the industry can be encouraged and larger areas can be brought under the cultivation of wheat. Although locally there might not be scope for larger areas being put under wheat, I certainly think in other parts of the Colony there should be protection.

6579. Do you not think a bounty on wheat would meet the case ?—I do not understand that.

6580. You do not understand the bounty system ?—No.

6581. In reference to these irrigation schemes, do you think if they were introduced here it would be to the advantage of the farmer in producing wheat and so forth ?—Yes. There are certain portions of the district where ground is available, but, just owing to lack of water, they are not being worked at present—places where wheat could be produced.

6582. Do you know if any of the farmers about here have taken any steps towards irrigating their land without the assistance of the Government ?—Certainly.

Wheaton Tyrer, Chairman of the Cradock Chamber of Commerce, examined on Agriculture, Candle and Soap Making, Railway Rates and Parcels Post, etc.:

6583. What do you wish to give evidence on ?—Principally with regard to the preferential railway rates. I put in a written statement. The following Statement was handed in :

MEMORANDUM FROM CRADOCK CHAMBER OF COMMERCE.

1. That this Chamber is averse to the increase of Duties affecting the necessaries of life, considering it would seriously affect persons of fixed incomes, as Civil Servants, Railway Employes, etc.

2. That in their opinion many manufacturing industries could not be continued if the advantages of the Customs Tariff were withdrawn, especially Biscuits, Matches, Candles.

3. Preferential Railway Rates on Colonial produce are unjust in their incidence on the inland population of the Colony, as in times of plenty the coastal population have their supplies carried at a very low rate, while in times of drought the inland population have to pay a much higher rate on imported supplies.

They would respectfully draw attention to the injustice of Railway Tariff affecting Tinware Manufacturers and Iron Workers in the inland towns, the rate on galvanized iron sheets from Port Elizabeth to Cradock being practically 75 per cent. more than the same material made into tanks.

Difference on Tin Plates being 25 per cent. more than the manufactured article from Port Elizabeth. Mr. Vivian Moys will appear as a witness in support of this.

4. Parcel Post:—The Chamber would respectfully recommend an importing charge of 10 per cent., the minimum charge to be 2s. 6d. on all goods imported by Parcels Post by persons other than are licence holders, plus the usual duty.

5. The Chamber would recommend that Boer Tobacco in the roll, cut or manufactured, be transferred to the 2nd Class Rate in the Railway Tariff, being an article of luxury that should be made to contribute to the Revenue.

6584. In reference to tanks and galvanised iron goods ?—Yes, and other things generally.

6585. Will you state the point ?—The point is this, that during the years 1903 to 1906—last year was an extremely good year—our Colonial produce was being carried to the ports at a ridiculously low rate. I should not like to see the preferential rate altered, or the rate on Colonial produce increased, but it is a great hardship—especially to the inhabitants of this part of the country—that we should have to pay practically 50 per cent. more on our supplies, such as wheat and the imported produce we have to use in time of drought, than the people not importing them. Of course the Colonial rate is very low, and I would not like to see it raised, but I consider in cases of severe drought, where our farmers have to import practically all the food supplies, that they should be doubly taxed—first of all through the duty and then through the railway rates. Practically for three years the farmers had to buy nearly everything for consumption. They had to buy mealies for their servants, and residents in town had to buy butter. Our butter bill was very high, and of course the rate on that was higher than on the Colonial butter. Of course, it applied chiefly to meal and cereals.

6586. Is there any other point ?—No.

6587. Do you wish to touch on the other points in your statement ?—Mr. Hyam, who is a furniture manufacturer, would like to give evidence with regard to the heavy rates charged for raw material.

6588. That is in reference to this letter of ours ?—Yes. The same remarks regarding flat sheets and galvanised iron apply to the materials he uses for his furniture. If he gets marble or frames he has to pay full first or second-class rates, where as the man importing and making it up into furniture gets his stuff through at the preferential rate.

6589. *Mr. Harlow.*] In reference to the preferential railway rate, you would not like to see it taken away ?—My contention is that the imported stuff should be carried at the same rate as the Colonial, and the protection to the farmer should be a wheat duty.

6590. The protection to the farmer should be at the port ?—Yes.

6591. Do you know if the farmers in this district do anything in reference to providing for these droughts ?—The wheat is very largely grown in the Quagga and Zwagers Hoek districts.

6592. What I mean is this, do they provide anything locally on their farms against times of drought ?—Of course I know last year we had an exceedingly good season, and many of the farmers, rather than sell their wheat, carried it over. Many farmers in our district have held two years' supplies, and it is very unfortunate they have, because the frost this year has killed all the wheat in the Zwagers Hoek district.

6593. Would you suggest any higher duty you think should be placed on wheat, and so forth ?—Personally I would like to see the wheat duty taken off altogether. It has been proved by experience that all our most enterprising farmers who have gone in for irrigation schemes have found it far better to grow lucerne and keep ostriches than grow wheat. It will never pay in this country to grow wheat unless circumstances alter considerably ; it pays better to use the stuff for feeding stock and ostriches than to grow wheat.

6594. Have you studied the question of bounties being paid on products and manufactures ?—I have thought the matter over very seriously. The only portion of the Colony whch would be affected would be the Western Province as far as wheat is concerned, and the question would be whether it would not be better to pay the Western Province farmer a bounty. The number of wheat growers is so small, and the proportion of Colonial wheat is so small compared to the quantity of imported wheat, that I think it would be better to pay these people a bounty and let wheat come in free.

6595. You think that would meet the circumstances ?—Undoubtedly it would be a great benefit to the majority of the people in the country.

6596. And the farmer also ?—It would be to our farmer, because in times of drought he would get cheap food. There is very little Colonial wheat over and above the requirements here. Some years ago there was more grown, and it seems as if the majority of the enterprising farmers find it pays better to use their water for lucerne.

6597. Have you any other industry locally ?—None whatever, with the exception of one or two men in a small way of business—manufacturers of tinware, etc.

6598. *Dr. Viljoen.*] Your experience of wheat growing is confined to the Cradock district and the surrounding districts ?—Yes, its immediate neighbourhood. For many years I was a commercial traveller, and I travelled very largely through the wheat districts of the O.R.C.

6599. When you say the farmers prefer to utilise their water for the growth of lucerne instead of wheat, you confine that to the neighbourhood here ?—When you come to take the larger proportion of the Colony it is certainly unfit for wheat growing, because no man can produce wheat as cheaply under irrigation as under a natural rainfall. Compared with the proper countries, where you get a rainfall, it costs very much more here to produce wheat.

6600. Do you know the wheat-growing area in the Western Province—that portion which is independent of irrigation ?—I do not.

6601. Would you be surprised to hear that there are large districts—districts like Malmesbury, Caledon and Paarl—in the rainy coastal belt—where large quantities of wheat are grown independent of any irrigation ?—Yes.

6602. Would you be prepared to take away the protection these growers have ?—I should not be prepared, because I consider it would be a hardship on those men. I think myself that we must endeavour to develop the internal resources of the country as much as possible, and no one should object to a reasonable protection, but I consider it is a bad fiscal policy to tax the bigger part of the Colony in order to enable these men to make a large profit.

6603. Do you think there is a large profit in wheat growing ?—If the man on the spot has all the natural advantages of good land and regular rainfall and cannot compete with the imported wheat, there must be something radically wrong.

6604. Are you acquainted with England ?—Yes, although I left there thirty years ago.

6605. You would consider it a very fair rainfall there ?—The reason for the cost of wheat there lies in the exorbitant rent the ground has to pay. In wheat-growing countries like Australia and America you get your land at very much lower rates.

6606. I am confining myself to England. Do you know many wheat-growing portions of England have now been converted into pasturage ?—I know that well ; that is through the higher cost of land.

6607. Would you consider there is more profit in pasturage than wheat growing ?—In that case there is, because they have a large population to deal with, and it would cost much more to transport stock than to transport wheat.

6608. And still they prefer the stock ?—Because they make a better profit, and the reason the wheat lands of England have gone out of cultivation is through the improvement of the means of communication. Take your foreign traffic, and the very low rate from America to put wheat down in England.

6609. Of course it is a very big question, and it would take the whole day to go into the matter of wheat growing in other countries. We will drop that. As regards the wheat in the Western Province, you know there is a large quantity of wheat grown.?—Yes, but it bears a very small proportion to the quantity of wheat used in the country. The point is that for the sake of enabling those men to make a profit you tax the whole of the country.

6610. Do you know there are large potentialities—that there are large tracts of country in the rainy belt in the Western Province which could be converted into wheat-growing lands ?—Yes.

6611. Do you know why wheat is not grown there—because of the insufficient railway facilities ? A man cannot cart it fifty miles to a railway. That is one of the greatest difficulties these people have to contend with. Have you studied the question of the duties on the other agricultural produce, things like lucerne, fodder and oathay ?—I have not given particular attention to it.

6612. It does not affect you ?—No. We can grow sufficient stuff here, and at the present time there is a large number of farmers who are sending largely to the Kimberley and Johannesburg markets.

6613. Are the people in Cradock and the Midlands affected by the alterations in the Customs ?—Not greater than any other part of the country. The only objection we have, as commercial men, is to what we may call tinkering with the Customs duties, putting ⅛d. on candles and ½d. on soap. That simply means that the storekeeper has to pay this extra duty ; it is impossible for us to put ⅛d. on a packet of candles.

6614. You would prefer continuity in the tariff ; you would like the next Customs Convention to be for a fixed period ?—Undoubtedly.

6615. Have you made up your mind what would be the minimum period ?—I should say five years at the least. That is a question which would not affect us as consumers or small storekeepers so much. It is the merchants carrying large stocks who would be affected by the short term of the duty ; as far as we are concerned it would not affect us in the least.

6616. *Mr. Kayser.*] With regard to your first clause, you say you are opposed to the increase of duty on the necessaries of life. Of course, by " necessaries of life " we usually understand foodstuffs ?—Yes.

6617. You are not agreeable to the increase of duty on clothing ?—I should oppose that, because I consider at the present time the duties on everyday things of life, such as clothing and foodstuffs, are high enough.

6618. Have you seen the suggestions made by the manufacturers of clothing in this country as to what the duty should be ?—Of course I only know of tailors who make bespoke stuff.

6619. Have you seen the suggestions made ?—Yes.

6620. What do you think of them ?—I think they are exorbitant. I think putting on 60 per cent. is far too high.

6621. Who would it affect ?—It means a large number of men wearing imported suits would have to buy ready-made stuff.

6622. But if the ready-made stuff had to pay the higher duty ?—If the duty were on everything, of course a man would have to pay it.

6623. It would mean increased cost ?—It would mean increased cost of living, undoubtedly. I do not know whether the Commission has had brought before it the fact that Colonial tobacco at present pays no tax. It is a luxury, though.

6624. With regard to the second Clause, you are in favour of the retention of the duty on articles, such as biscuits ?—Certainly not, because I reckon these cannot be called Colonial manufactures. Take the Colonial biscuit trade. The bulk of the stuff used in the manufacture is all imported.

6625. You do not consider they should have protection at all ?—I do not ; I do not believe in bolstering up an industry which does not use Colonial products. I am perfectly in favour of protection for jams, for instance, where fruit could be largely used.

6626. You are in favour of protecting Colonial grown produce ?—Yes, such as jams, or where any product of the country could be utilised I should say a good protection should be put on.

6627. If matches could be made from Colonial wood ?—Yes.

6628. They are being to-day ?—Yes.

6629. And candles if they could use Colonial tallow ?—Yes.

6630. Would you object to preferential railway rates on Colonial produce ?—I object to it, because at times of drought—which periodically occur up-country—we are doubly taxed.

6631. Would you suggest that during periods of drought a difference should be made ?—I should say in that case the wheat should be lowered. It could be met in that way. For three years we have produced nothing.

6632. Say under exceptional circumstances ?—Yes. Take the present rate, which is about 16s. a ton for Colonial stuff, whereas for meal we have to pay 24s.

6633. What is your Chamber's view on the preferential railway rates given to Colonial manufacturers ?—In cases where the Colonial produce is used I say yes, but it is certainly unfair to the up-country maker of furniture that he should have to pay full rate on his material and the man at the coast is able to import his stuff and pays the same duty, and then gets his stuff sent through in some cases at half the other man's cost.

6634. I want to get your view on the general question as to whether the railway should give special rates for Colonial-made goods other than those manufactured from Colonial products ?—I think it would be better to have one rate for all classes of one stuff and increased protection should be put on at the port.

6635. You do not believe in preference for Colonial-made goods when made from imported stuff ?—I do not.

6636. With regard to the parcels post, you suggest a duty of 10 per cent. ?—Yes.

6637. Would you approve of that duty being applied to the storekeeper as well ?—In this particular instance it does not affect me personally.

6638. You are speaking for the Chamber ?—Speaking for them, the people, getting their stuff up by parcels post would object to a duty ; it is the traders who want it.

6639. Would you not call that class legislation ?—It is thick. Personally, I am not in favour of it.

6640. You think everyone should be charged the same ?—Yes.

6641. You are in favour of the minimum charge of 2s. 6d. ?—It seems to me it would be the easiest way to get over it. Some suggested a minimum charge of 5s. I pointed out that it would perhaps be hard in some cases, and that it might be met by the 10 per cent. extra duty and a minimum of 2s. 6d. Personally, though, I am against the alteration. It certainly presses hardly on the storekeeper that the people are able to import the stuff by parcels post cheaper even than it might be got out in cases, but then he can do the same thing if he chooses.

6642. Personally, you approve of a minimum charge of about 2s. 6d.?—Yes.

6643. With regard to the Boer tobacco, which you suggest should pay a higher railway rate, is that a large matter ?—I look at it that the finances of the Colony are in such a state that we have to look round to see where we can possibly put a tax which will not bear heavily on any particular section of the community.

6644. Have you considered the fact that you are individualising one special article of Colonial growth ?—Brandy and tobacco are always looked upon in all countries as exciseable articles.

6645. You think tobacco should have an excise ?—No, because of the difficulty of collecting it. I think if it were charged a higher railway rate it would bring something, at all events, into the revenue.

6646. Have you gone into the question of what it would be ?—No.

6647. It would be a very small matter ?—It would not be very much, but, on the other hand, there is a large quantity of tobacco concerned. I suppose in Cradock there would be from £250 to £300 worth of tobacco sold every month, and the average value of the Colonial tobacco would be 7½d. a pound, so that it would amount to a considerable sum during the year, and the further it would have to travel the more it would have to pay. I reckon, roughly, it would amount to about ½d. a pound.

6648. *Mr. Scott.*] You suggest a duty of 10 per cent. should be put on parcels ?—Yes.

6649. Does that affect your business in Cradock ?—It affects the man in the interior very much more than the man at the port. Then again it is a loss to the revenue of the country. I have not been able to find out how the postage is divided, or whether we get anything out of the 9d. a pound postage from England. Of course it costs 9d. a pound to bring the parcel, and if it is carried through to Upington, say, it has to be carried 200 or 300 miles by post cart, and the contention of some of our friends is that they look upon it as a loss of revenue to the country.

6650. I quite admit that, and it is a hardship on your business. Still, I notice you are not in favour of the manufacturer at the coast being protected, where you want protection yourself ?—Personally, I am not in favour of that ; it is the Chamber that passed this resolution.

6651. That is not your personal opinion ?—No. As I say, it is a question which does not affect me in the least ; we are rough goods people, and it is no hardship to us.

6652. I suppose the people of Cradock send goods to the coast ?—Of course, in times of plenty a good many things go down—butter, eggs and stock.

6653. And grain ?—No.

6654. What becomes of it when it reaches the coast ? Is it consumed ?—Undoubtedly.

6655. If there were no manufactories what would happen ?—We send nothing for manufacturing purposes.

6656. You send to a consuming part ?—Yes.

6657. If there were no manufactories ?—The manufacturing population of Port Elizabeth are not many.

6658. Take Cape Town ?—What factories have you of note there ? How many would the people in them total to ?

6659. What I want to put to you is that the factories should be at the coast, and their employees would consume your produce ?—Yes, but our principal export of course is stock, wool and cereals ; those are the three principal things.

6660. Your stock must be consumed at the coast towns ?—My point with regard to the differential railway rate is that if you put a tax on the imported article at the coast, such as wheat, if we use it we have just to pay the extra cost, whereas if you put a preferential railway rate you tax us doubly. We are prepared to pay the same duty as at the coast, but we strongly object in times of plenty that we, as the general public, have to pay so much more for the imported stuff coming up to us. I look upon it from my standpoint that the preferential railway tariff, as far as Colonial produce is concerned and Colonial manufactures, is a mistaken policy.

6661. You are not in favour of that ?—No, because it opens the door for fraud. I was speaking before I came down to a gentleman, who is a representative in Bulawayo of several firms at the coast, and he was invariably under quoted by Colonial firms in the Western Province for meal. He wrote to headquarters about it, and the only way they could get out of it was that a certain proportion of imported meal had been mixed with the Colonial, and that was sold as Colonial stuff. Take the last three years. When we started last year, the old Boer oat was practically extinct in the country. I could have got 50s. for guaranteed old Boer seed oats. We sold a great many oats to replace these. Most of the oats were grown from imported seed ; we got it from the Western Province. There was not one out of ten who could tell which was the imported oat and which the Colonial, because it was grown from the imported seed. There was nothing to stop a man at the coast putting the one into the other and putting them on the railway, because no one would know the difference ; in fact I know it has been done. It opens a very wide door for fraud. Another thing in regard to our preferential railway rate is that it entails such an enormous amount of work in the classification and working of the railway. I will give a case in point. I was living in the interior some years ago, and we imported a large quantity of galvanised iron pipes for irrigation purposes. These were made up by Messrs. Alcock in the Bay. They were always very careful to consign them as Colonial manufactures at the irrigation rate. We had them in several consignments, because they were packed in crates, and we had to cart them 300 miles by wagon in small lots on top of other stuff. On six consignments we were charged six different rates—every possible rate in the book. On the first consignment we were charged the correct rate for Colonial manufactures for irrigation purposes ; the next came forward at irrigation rate for imported stuff ; the next at Colonial manufacture rate—tinware rate ; the next as undamageable iron ; and the next at the ordinary second-class rate for imported pipes. The whole thing was a muddle. The railway could be worked very much more cheaply and satisfactorily. Any man with up-country experience of dealing with large quantities of importations will bear me out that there is scarcely a consignment you get from the railway authorities or your forwarding agent without finding some blunder has been made with regard to the rates.

6662. Is that the opinion of your Chamber also ?—In Cradock we do not feel it so much as up-country, but this is the experience of every business man in the Cape Colony—that the railway rates are so complicated.

6663. You are in favour of the preferential railway rates being done away with ?—Yes. If the Colonial product is to be protected let it be by duty at the coast.

6664. You say you could not put ⅛d. on candles ?—I believe ⅛d. was put on a little while ago. We lost that of course ; we cannot put it on a packet of candles.

6665. Suppose ½d. was put on a packet of candles ?—We can make it ½d.

6666. Would that be any hardship ?—We would lose our profit on the ½d., but then, of course, we lose the ⅛d. It often happens that when the duty is raised a storekeeper can put on the extra ½d., but he loses his profit on that. Of course, if you want to buy a lot of cases, and one man offers them at a sixteenth of a penny less you take that, but you cannot deal with eighths of a penny in regard to a pound of candles and so on.

6667. Have you seen the suggestion of the manufacturers in this country ?—No.

6668. Their suggestion is that more than ⅛d. be put on. That would not be a hardship in that case ?—The consumer would have to pay then. If a considerable amount is put on an article of that sort the consumer has to pay. I quoted this as an instance of what I call tinkering—putting on a small duty which it is impossible for us to recover.

6669. Provided you get sufficient notice of the alteration of the tariff it is no hardship ?—No, it would not be. Of course that would not affect us the same as the merchants. We turn our stock over here practically every month ; some classes of our goods we turn over oftener than that. We live on the line and our facilities for getting goods are very good, and we do not carry large stocks. The only man the lowering of duty would affect would be the man carrying a large stock of hardware.

6670. Would you be in favour of an increased duty on galvanised iron, for revenue purposes ?—No, I would not.

6671. Why not ?—It is a thing we cannot produce in the country, and is a most useful article.

6672. You have just told the Commission we require revenue. Do you not think it could very easily pay a tax ?—Of course, I have not studied the tariff ; it is only these few points which have occurred to me.

6673. It is on the free list at present ?—I suppose a duty of, say, 1s. per cwt. would not be a great hardship.

6674. Even 2s. would not press heavily ?—It would be very considerable ; it would be 20 per cent. on the cost of the article very often.

6675. Can you tell us who wears the ready-made imported clothing here—which past of the community ?—The natives and the lower class of white people.

6676. Principally the natives ?—Yes, and the poorer whites,

6677. You are not in favour of any increase on the cheap class of clothing ?—No, because I think myself the poor man is really much more highly taxed than the rich man.

6678. Is the native taxed in equal proportion to the white man ?—In proportion to his income, undoubtedly. Take the 9d. on a pair of boots. Take a 3s. line, of which there would be a very large number sold. The poor man wearing those boots pays 25 per cent., whereas a man wearing an expensive boot, costing a guinea or 27s. 6d. pays a matter of 12½ per cent.

6679. Why should the poor man buy such a poor article ?—Undoubtedly they buy from hand to mouth. That is the Home cost—3s.

6680. *Mr. Tod.*] There is one point in regard to the preferential railway rate which we should be quite clear about. In answering one of the Commissioners you said, I think, that in times of drought you would like the railage lower. I think your strong point is that whatever protection the farmer or producer in this country gets should be through the Customs, and we should have a uniform railway rate ?—Yes.

6681. You do not want a rate to be lowered in times of drought and raised at other times ?—No. The only way out, of course, to give us relief in times of drought would be a sliding scale.

6682. You would have a difficulty in defining when it was a period of drought, and also there is this aspect of the question, that one man may have stored grain and say his profit is taken from him by reducing the rate ?—I spoke of that as the only alternative, but I think the right way is to grant the protection through the Customs.

6683. *Mr. Kayser.*] What effect would ½d. per pound additional duty on candles have ?—To-day I suppose we are selling equally as many Colonial candles as we are importing. We are getting a very good candle from Ginsberg. It is not as hard as the imported candle. When I was living at Upington some years ago I know we could not use Colonial candles, because they did not make them hard enough ; if you put them into the candlestick they fell over, and Prices' " Eureka " were the only ones which would stand.

6684. What effect would the additional duty of ½d. a pound on candles have ?—Provided the Colonial manufacturers did not increase their price, it would increase the sale of the Colonial article.

6685. Would it increase the price ?—No doubt if they saw a way of making an extra ¼d. or ½d. they would put it up. My experience is that as soon as a duty is put on the imported article up goes the Colonial.

6686. Would the imported article be increased ?—Of course, if there was an extra duty put on we should have to pay the extra amount. At present the imported candle costs us, roughly, 5¾d., and with this 3s. 9d. a hundred pounds added that candle costs us to-day, say, 6¼d. We are selling it at 7d. Now we are buying the Colonial article for about 5d., and get 6d. for it. The great point is that we are able to sell the Colonial candle at 6d.—1d. cheaper than the imported.

6687. So there does not appear to be any necessity for the increase in the duty ?—If they increase the quality of the Colonial candle, to push the other out of the market, all right, but there are still people preferring to pay 7d. for Prices' candles rather than take the Colonial article.

6688. If there was an increase of duty on soap of ¼d. a pound, how would it affect you ?—We should lose the ¼d.

6689. What does that mean in a box of soap ?—Fifty farthings.

6690. That is 1s. 0½d. ?—Yes.

6691. Can you tell me the value of an average case of soap ?—About 15s.

6692. And the duty would increase it by 1s. ?—Yes.

6693. That would be how much per cent. ?—About 6½ per cent.

6694. Would you have to increase your price ?—We should have to.

6695. How does the Colonial soap to-day compare with the imported ?—We cannot sell it. It is a strange thing ; we have tried, but cannot sell it.

6696. Is it dearer ?—No, but it does not keep so well. I have a quantity of Natal soap which has gone hard. It has too much soda in and too much water. On the other hand, a good many people in town sell large quantities of Colonial soap.

6697. It is sold cheaper than the imported ?—Yes,

6698. *Chairman.*] How far is Middelburg from here ?—About 40 miles.

6699. Do your farmers send any supplies to the camp there ?—We do very little with Middelburg.

6700. How is that ?—I do not know why.

6701. Do you consider it is in the interests of the Colony for a big population like there is at Middelburg camp to import their goods and to have them imported at the same rate as the Colonial produce, and that you cannot supply the Colonial stuff ?—It is a disadvantage, but, unfortunately, that is an arrangement which I believe the Imperial Government has always had. I know a gentleman who suffered very heavily on that point. There was a clause in his agreement that he was to carry Government employees' supplies free during the war, and he had to carry enormous numbers of troops free.

6702. Do you not think it is wise to have a preferential railway rate enabling the Colonial producers to supply those large centres of population, in preference to all those supplies being imported from oversea ?—I do not exactly see your point. You mean the Imperial Government are able to import supplies at special rates ?

6703. They pay no duty. For instance, you might have on the other side of Middelburg, 100 miles away, large centres of Colonial produce, which they could not sell simply because they had to pay the same rate as the imported produce ?—That only applies to the Military.

6704. Would it not apply to large town like Kimberley ?—No.

6705. You still think the rates for Colonial produce should be the same as the imported ?—Yes.

6706. How do you take it in this way : at the last Customs Convention we arranged a special railway rate whereby it now brings about half a million of money into the country, and if we had not that we could not send the stuff out and bring that money in ?—You mean as far as exporting stuff to the Transvaal is concerned ?

6707. No, to England ?—In that case it would be a benefit, undoubtedly.

6708. Then you must have preferential railway rates ?—Not preferential.

6709. That is exceptional, of course. It is not to apply to places like Cape Town—centres of population ?—Certainly not ; the duty would be the protection.

6710. You would not have that reduced ?—No. I am strongly in favour of protection to *bona fide* Colonial industries where the products of the Colony can be worked up.

6711. What percentage of Colonial products do you think ? Could everything necessary be Colonial ?—No. Take harness ; you have to import wax and thread, and so on ; and in the case of jams you have to import your sugar and your labels, or, at any rate, the paper and ink for printing them, and you have to import your tins.

6712. Have you any idea what percentage you would require to be used ?—I do not think it is possible to state a percentage.

6713. You would have to judge each article on its merits. I believe the fruit industry will become a very important one, and it is impossible to fix how much per cent. of the Colonial article must be used. To fix a hard and fast line would be a mistake, I think.

6714. You say you would be in favour of 25 per cent. on biscuits and cakes ?—No. I am against that, because there is practically nothing in those things which is Colonial. The flour and margarine, and your fruit, tins and labels are all imported.

6715. Are you quite sure of that ?—I am talking of what I know. You do not use Colonial wheat because there is not enough.

6716. They use Colonial fruit for cakes ?—A certain amount.

6717. Do you know at the last Convention the duty was altered because manufactured articles were coming in very much cheaper than the raw material, and they use Colonial products for a lot of these things ? We are told they use Colonial butter ?—It is only in very exceptional seasons you can use large quantities.

6718. Would you consider the tinsmith's a legitimate industry—for the making of tins—because everything has to be imported ?—You can import tin sheets very much cheaper than tin-ware.

6719. You consider that is sufficient protection, the tin sheets coming in at a low rate ? You say you are not in favour of the protection of what are generally termed " bastard industries " ?—Generally speaking. I consider it is unjust to the other portion of the community.

6720. Would you consider the tinsmith's a " bastard industry " ?—In any case of this kind I should think the difference in freight ought to be a sufficient protection.

6721. There should be no extra protection on tinware or tanks, or anything of that sort ?—No.

6722. I ask because you mention it in your letter ?—I am speaking of the unfair incidence of the railway rates.

6723. Do you know what amount was put on candles at the last Convention ?—I cannot recollect.

6724. It was ¼d. Has it increased the price of the Colonial candles ?—The price has gone up, but then there has been an increase in the price of raw material ; I think the increase in price would be largely due to that. All fats and soaps have risen considerably.

6725. Supposing we were told in evidence that there would be no increase in price, that they are quite willing to do away with preferential railway rates on Colonial candles if they can get ½d. more protection. Do you think that would increase the price ?—I am not sure. All I know is that Prices' candles are increased by ½d. and the Colonial by ½d., people will still stick to Prices'.

6726. Is there a prejudice ?—Undoubtedly the imported candle is much better—it burns longer.

6727. *Mr. Tod.*] Suppose the imported went up, and there was no alteration in the Colonial ?—I have no doubt it would increase the sale of the Colonial.

6728. We were told that in one place the imported candles sold at 9d. and the Colonial candles at 6d. That would not be the case here ?—No ; 1d. is the only difference. That rate of profit is slightly higher on the imported than on the Colonial.

6729. Has the quality of the Colonial candles improved ?—Yes.

6730. And Colonial soap ?—Yes, that is very much better too.

6731. I suppose you know there was no increase in the duty on soap at the last Convention ?—I made a mistake. I should have referred to candles. The increase is in the price of fats.

6732. The sale of Colonial soap has done away with the imported to a large extent ?—Yes. There is a large quantity sold throughout the country. I was at Mosenthals' at Kimberley for some time, and we kept only Colonial soap. The storekeepers we dealt with used entirely Colonial soaps.

6733. Do you not think it is an advantage to South Africa that the railways, which are State railways, should be used for the development of the country ?—I consider they should not be made a profit-earning concern—that they should just pay working expenses and interest.

6734. You are not in favour of preferential rates to develop the country and keep out imported produce ?—I have already answered that question. I think protection should be at the Customs House.

6735. Do you not think it would press very heavily on big centres of population, like Cape Town ?—I do not see how it would.

6736. *Mr. Scott.*] I think you said the Colonial-made candle was inferior to Prices' candles ?—It is not quite as good.

6737. Might I ask where you draw your candles from—not the manufactory, but the centre ?—Sometimes a man comes along who is representing the Port Elizabeth Candle Factory, and we give him a line ; and then another man represents Ginsberg, and we give him a line.

6738. If I told you that in the West we make a superior candle to Prices', and that it would burn 1½ hours longer, I would be stating an untruth ?—I could not say that ; I am only stating my experience.

Furniture Manufacturing.

Alfred Hyam (of Fryer and Hyam), Furniture Manufacturers, examined :

6739. *Chairman.*] Do you wish to give evidence regarding the furniture trade ? —The only question I have to raise is that of the railway rates on Colonial manufactured goods from the coast. For instance, on the raw material we get up we have to pay the full rate, and on manufactured articles made in Port Elizabeth they get a reduction of 20 per cent., which we consider is not fair. We have to pay the first-class rate on glass and marble, which is used in the construction of bedroom furniture, and that we consider hard, because a firm in Port Elizabeth will quote to a customer up-country delivered at his railway station, and naturally they can afford to do it cheaper than we can. We do not consider that is benefiting the country whatever.

6740. Your point is that you think raw material should be carried at the lowest possible rate ?—I consider the protection should be at the Customs, absolutely. The up-country people have to pay for their goods ; we have to bear the increased cost.

6741. That no preference should be given to any one on the manufactures ? —Yes. You should protect at the Customs.

6742. *Mr. Harlow.*] Would you suggest any higher duty ?—I do not consider that is required at the present time. I would suggest that if they raised it to 15 per cent., and allowed the British-manufactured goods a rebate of 5 per cent., it would be better.

6743. Would you like to see the next Tariff lasting for any fixed period ?— I think that would largely depend on how the industries go ahead. I would not suggest any time. Of course, we want the factories out here and not in London. If the furniture factories came out here it would be assisting the country.

6744. Have you a factory ?—We are the largest makers in town. We make 75 per cent. of our furniture in Cradock. We have to pay the full rate on all these goods, whereas if the furniture were made in Port Elizabeth they would be allowed a reduction of 20 per cent.

6745. Now many people do you employ ?—Four and myself. Both Mr. Fryer and myself are practical men, and assist in the work.

6746. Are they all white employees ?—Yes.

6747. What is the rate of wages ?—It depends on a man's ability. A polisher gets £11 a month and a cabinet-maker gets £4 and even up to £6 a week. We have four cabinet-makers at work, and are looking for more.

6748. You want more men ?—Yes.

6749. *Mr. Kayser.*] Your complaint is, mainly, that the coast manufacturer can compete with you because of the reduced rate of railage he gets on his manufactured article ?—He gets a distinct advantage over us in that.

6750. Do you say you pay the first-class rate on some goods ?—Exactly ; we pay first-class rate on marble and also on glass.

6751. You would like to see preferential rates for manufacturers done away with altogether ?—Yes, and if there is a duty required put it on at the coast.

6752. Would you have any objection to the special rate for the Colonial-grown article ?—None whatever.

6753. You think that should have a special rate ?—That does not affect me, and I could not given an opinion, but in my opinion, if we pay 2d. a pound more for meat grown in South Africa, it is the better for South Africa.

6754. You stated you thought furniture was already sufficiently protected ? —Yes.

6755. The protection of 12 per cent. English and 15 per cent. foreign, and the protection through the freight ? You get a considerable protection on the freight, do you not ?—Yes.

6756. Which would amount to considerably more than on the raw material ? —Marble would come at the higher rate, but if we were getting out timber it would come at the lower rate.

6757. *Mr. Tod.*] The waste would almost counterbalance it ?—Undoubtedly. I believe myself that a Home firm can land stuff in South Africa to-day far cheaper than it could be made here.

6758. *Mr. Kayser.*] You are in favour of the raw material coming in free of duty ?—As far as possible.

6759. The bulk of yours does ?—The timber does not. If we get it from America, such as satin walnut, we have to pay 15 per cent.

6760. Rough timber would come in free, would it not ?—Yes.

6761. If you got the same article in the rough it would come in free ?—It works out better to pay the 15 per cent.

6762. Because of the railage ?—I do not know whether that would make any difference. It is an advantage in this way, that it is cheaper for us to have it planed at Home than to put a man on it here with a jack-plane. We have worked that out.

6763. You have not got machinery ?—No.

6764. Have you not considered the matter of the duration of the Tariff ?—I could not give an opinion on that matter.

6765. If you thought it would last only twelve months would you be prepared to put down machinery ?—To my idea, machinery could only be used in the coast towns, where you have the wholesale houses at your hand who can distribute. Manufacturing, in any case, will generally be done at the coast towns.

6766. If it were for a period of five years would that induce you to launch out at all ?—Not in machinery ; I do not think the output would warrant it at all.

6767. *Dr. Viljoen.*] Of course you are referring to inland ?—I believe the coast towns have a large future before them in the way of manufacturing.

6768. *Mr. Kayser.*] Are you in favour of a preferential rate to British Colonies ? —Absolutely. I consider we should allow a big reduction to the Colonies and the United Kingdom at the present time.

6769. The allowance to-day is 3 per cent. ?—I should make it 5 per cent.

6770. *Mr. Scott.*] Would it not pay you to get your rough material out unplaned ?—No.

6771. Even if you had machinery ?—We are not in a position to have machinery ; the output does not warrant it.

6772. If you were in a position it would pay you ?—If the output warranted it, but it does not.

6773. You are handicapped because your output is not large enough against the coast manufacturers ?—Undoubtedly.

6774. Supposing you send furniture to Kimberley, do you not get a preferent rate ?—Quite so.

6775. And are you in favour of that being taken away ?—Absolutely.

6776. Are you affected by the cheap American furniture being dumped in here ?—That would be my idea of putting on your extra 5 per cent. I say, instead of having it 3 per cent. make it 5 per cent., or even make it more as time goes on, because we must build up the country by the industries.

6777. You suggest a higher tariff ?—Certainly.

6778. *Mr. Tod.*] Are you aware the manufacturers at the coast have said that they require a protective duty of 25 per cent. ?—I have not heard that, but at the same time I consider that is going to fall on the actual purchaser. I think that is rather high.

6779. Do you think if 25 per cent. were put on imported furniture you would charge more for the Colonial ?—Take a bentwood chair. If you put 25 per cent. on that it falls on the working classes, and you cannot make a bentwood chair in the country.

6780. It is not proposed to put the duty on those articles; there are certain exceptions. What I want to know is this: Supposing such a duty were put on to discourage the import of furniture from abroad, would you raise your price to the customer hère on account of that tariff?—Not at all.

6781. Really, the effect of the higher duty would be to have more of the work done in this country?—Yes. It would enable us to make the tables which the Americans at present send in cheaply.

6782. *Mr. Kayser.*] Would not the consumer have to pay more for that table than he does to-day?—I do not think so.

6783. Is not your price higher than the imported price?—We can make the table if we have the quantity; it is only a question of the quantity.

6784. Could you make it at the same price as the imported article?—Yes.

6785. In oak?—If a large manufacturer imports oak he can do it the same as the American; there is nothing lost in it. I consider it could be made here at the same price if the output warranted it.

6786. Is your price higher to-day than the American article?—In oak we cannot make it, but on the ordinary deal table we can better the American. I do not suppose we are buying a case of those tables a year now. If they put the duty on the imported tables it will simply keep them out of the country and there will be more Colonial manufactures sold.

6787. *Mr. Tod.*] You are prepared to agree that the increased duty on the imported article will increase the price of the imported article?—Undoubtedly.

6788. But you are prepared to agree that you will charge more for your articles on account of the increased duty?—We cannot charge more if the necessaries of life are kept at the same, but if you increase the cost of your necessaries of life you are bound to pay your men a higher wage, which means you must charge more.

6789. Your price is regulated, I suppose, by the competition amongst yourselves?—Undoubtedly. We know that if a firm sells a line at 6s. 6d. we must do it too.

6790. And unless there is a combination amongst you to raise the price fictitiously, you will work as before—for reasonable prices for your labour and capital?—I contend that a combination is illegal. I am in business for myself and shall never combine. If another man sells a chair at 6s. 6d. and I can do it at 6s. 3d., I shall.

6791. *Chairman.*] Have you suffered from cheap foreign furniture being dumped here?—I do not think we can complain, but the drapers have a complaint. I have seen the sales in Port Elizabeth, and have often though it is a shame.

6792. We are told in other places that this furniture is consigned to the auctioneers, and it interferes very much with the trade in the Colony?—It is so in other places, but I am very pleased to say they have not done that here. The only thing they have touched on is drapery. It is our opinion that any extra duty put on at the coast will assist the manufacturer in Cape Colony.

Sheet Metal Manufactures.

Vivian Thornton Moys, of Moys Bros., Manufacturers of Sheet Metal Goods, examined:

6793. *Chairman.*] What do you wish to give evidence on?—The sheet metal trade.

6794. What point do you wish to bring up?—I really want to bring up the difference in railage on tanks and that on raw material.

6795. Is that the only point?—Yes.

6796. You object to that?—Yes. I also wanted to point out how unreasonable it is, from the railway point of view, that you can get six tanks in one truck, whereas you can get enough iron for 75 tanks in the same truck, and yet we have to pay more for the iron than the made tanks.

6797. *Mr. Kayser.*] Do you say you want a reduction of the rate on tinware?—On tin plates.

6798. You would like the raw material to come at a lower rate?—At the same rate as tinware.

6799. Would you be satisfied if the preferential rate for tinware were taken off?—Yes—if it were raised to the ordinary rate which tin plates pay.

6800. You would be satisfied ?—Certainly.

6801. You do not think there should be a preference for the Colonial manufactured article made at the coast ?—The point is, if one wants to encourage Colonial manufacture why not encourage it in the inland towns as well as at the ports ?

6802. You do not wish the preferential railway rate from the coast continued ? —No.

3860. You mentioned corrugated iron tanks. You say the galvanised iron which you purchase to make them, has to pay a higher rate than the already manufactured corrugated iron tanks from the coast ?—Quite so.

6804. Will you explain to us what the difference is on a tank delivered in Cradock as against the material for manufacturing it ?—I have not actually reckoned that, but what I have reckoned is that we have to pay 1s. 10½d. on a hundred pounds on tanks, whilst we have to pay 3s. 4½d. on the same amount of iron. Supposing a thousand-gallon tank, weighing 240 pounds, comes from Port Elizabeth, the rate charged is 1s. 10½d. per hundred pounds. The same amount of iron coming up, which would weigh the same—except for the solder, which would be six pounds—would be charged 3s. 4½d. a hundred.

6805. Roughly, I make it that the carriage on the tank would be 4s. 9d. as against 8s. 1d. for the corrugated iron ?—Yes.

6806. And you consider that is a grievance on the part of the inland manufacturer ?—Certainly ; we cannot compete with the ports in any way.

6807. *Chairman.*] You suggest the rates should be the same ?—The rate on iron brought up for the manufacture of tanks should be reduced to the same rate at which tanks come up.

6808. *Mr. Kayser.*] The tanks and iron should be charged the same rate ?—Yes.

KIMBERLEY, 25th and 26th November, 1907.

PRESENT :

George Whitaker, Esq. (Chairman.)

C. F. Kayser, Esq.
C. E. Tod, Esq.
Dr. A. G. Viljoen.
G. A. Scott, Esq.
T. Harlow, Esq.

G. Owen-Smith (Secretary and Custom Adviser.)

Agriculture and Horticulture and other Farming Industries.

Max Sonnenberg, Produce Merchant and representing the Vryburg Chamber of Commerce, and Farmers' Association, examined on Agriculture and Railway Rates.

6809. *Chairman.*] You represent the Vryburg Chamber of Commerce and Farmers' Association ?—Yes.

6810. Will you mention what points you wish to bring forward ?—As a matter of fact, nearly every point in this reference affects us.

6811. The first question is regarding the Customs Tariff?—Yes. "The conditions prevailing in our agricultural and manufacturing industries, and whether their condition and prospects would be improved by amendments in the Customs Tariff." That, of course, is a point which affects the farming community more than the commercial community up there. Bechuanaland is essentially a cattle-raising country ; and we feel that a little more protection is required, first of all for meat, and secondly for all products of cattle, such as butter, cheese, tallow for soap manufacture, and milk. We feel there should be some further protection given at the coast through the Customs in order to establish the industry thoroughly.

6812. What do you propose on meat ?—We are absolutely in favour of prohibitive duties on any of these articles, because we maintain that our supply is quite equal to the demand at present in all these commodities. Of course the difficulty of the up-country people up to now has been that they could never get their goods to the markets, and we have been agitating for Government cold storage up there, which the Government have definitely promised us. They have plans out for a very large cold storage place, with abattoirs in connection with killing the cattle and bringing the meat to the markets. Before the war we had an over production, and we have now sufficiently recouped to find that we have an over production again.

6813. What increase do you want in regard to meat ?—We want absolutely prohibitive duties. We say, why should we have foreign competition at all when we can produce the things ?—Our great point is that by putting on a prohibitive duty it will induce farmers to go on the land and produce the articles, and as time goes on the stock will be increased, and the value will be decreased to some extent.

6814. Have you imported meat in your district ?—No ; we are self-supporting, but we are looking for markets. We have an over-production of cattle for which we have absolutely no market at present.

6815. Where do you get your markets principally ?—We look to the big centres—Kimberley, Johannesburg, Cape Town, and other centres. My point is that up to now we have only been able to send away the livestock, which is so prohibitive because the carriage is so high. Immediately our cold storage is established—which we look upon to-day as an almost assured fact—those markets will be open to us, and then we want a little more protection so that we will not come into competition with the imported stuff.

6816. Will not those markets be open to you already ?—Yes, but we think a little inducement should be given for the production of these articles.

6817. Would 2d. a pound duty on meat be sufficient ?—We do not want to fix on any certain amount. I should think 2d. a pound would meet the case.

6818. And butter and goods of that sort ?—We want a very much higher protection, because all the inland markets are very small, the big consuming centres being at the coast, and when we are sending our butter and cheese it costs us so much for carriage. Every pound of butter costs us 1d. or 1½d. carriage, as against 2d. protection at the coast.

6819. What duty do you want?—A prohibitive duty—6d. a pound—because we have the material and can produce it.

6820. And grain, mealies and lucerne have sufficient protection, I suppose?—Our particular part of the country is self-supporting in that respect, but we hardly export in that line.

6821. You are satisfied with the duties on those things at present?—We are quite satisfied as regards that.

6822. Cheese?—If it is a question of asking we want as much as we can get. Our point is that we want the duty to be prohibitive. We want to establish the industries. I maintain that competition will be so strong in the country that it will not increase the cost to the consumer, because there will be quite sufficient production and quite sufficient competition; and further, if you look at the imported article to-day—butter, for instance—it goes through four or five or even six middlemen, and all make their little profit, whereas with the colonial made article the consumer is actually in touch with the producer, or possibly one middleman with one middle profit.

6823. Does not that give you a bigger protection?—I am only pointing out that it would not increase the cost to the consumer.

6824. It gives you some protection?—Yes, but not sufficient. Our stock costs more here, and our production costs a little more than in other countries.

6825. Do you make cheese much?—Not now, but we have never had a market for it. We turn out large quantities of butter, and supply Rhodesia and Kimberley, and we could not get at the other markets before. We cannot send it to Cape Town, because the railway carriage is too high and without cold storage we cannot place it there in decent condition.

6826. That is all in reference to the Customs duties?—Yes.

6827. What is the next point?—The question of preferential railway rates on South African produce and South African manufactures.

6828. Are you in favour of preferential railway rates?—On nothing whatsoever—neither colonial products or colonial manufactures.

6829. How do you expect to get the market for Cape Town? Do you think that is possible?—Of course, all conditions being equal, by having a little protection; with the railway being put on a working basis we will be able to put that stuff on the market. At present the matter of the preferential tariff falls very heavily on certain people, as has been pointed out here by witnesses. Take the ingredients for cakes. When manufactured into a cake they are brought up at a very much reduced rate than the raw material, and we pay 4s. 8d. as against 9s. 8d. on currants, raisins and lemon-peel, etc., so that a small baker is actually faced with competition. His raw material costs him too much to enable him to compete. The same with wagons. We have some blacksmiths there. The iron and bolts, which are very heavy and bulky, are brought up at a very high rate, whereas the same things turned into a wagon are brought at a very much reduced rate. Then recently we took up the matter of soap-making at Vryburg. Caustic soda to-day is carried at 9s. 6d. per 100 lb. That is one of the ingredients of soap. We have some tallow up there; in fact during the summer months a lot of people turned their butter into soap, because we have an over-production and no market. We approached the Government with a view of getting a reduction on caustic soda for soap making, and they absolutely refused. The soap made at the coast pays 4s. 8d. and we have to pay 9s. 8d. on caustic soda—the second class rate. Mr. Stratten has mentioned the matter of gate-making. We had experience of that. A man named Quinn came up from Grahamstown and started gate-making. The railway would not allow us to get the piping up at the same rate as the finished gate.

6830. Is there any other point?—No, I do not think there is much more.

6831. *Mr. Tod.*] Do you think if there were a good prohibitive duty on cheese farmers situated some distance away from the line might be encouraged to start making cheese?—Decidedly. They are doing it now. In fact before the war one of our farmers brought an expert out from Holland for cheese-making, and at the time of the war his plant was smashed up; and now he is talking of getting out another man.

6832. You do not say what you think would be a sufficient duty on cheese?—When I say 6d. a pound, I mean it to be prohibitive. I say there is no necessity for any of these articles being brought into the country.

6833. As a matter of fact, in supplying a market like Cape Town with meat, supposing you sent the live animals there it would cost you more to send them from Vryburg to Cape Town than it will cost people in South America and Australia to land in Cape Town?—Yes, and not only meat, but butter as well; it costs about 1½d. to send the butter to Cape Town as against ½d. from Australia.

6834. You think this prohibitive duty will enable us to keep the market to ourselves?—Yes.

6835. *Mr. Harlow.*] You are asking for a prohibitive duty on meat. You suggest 6d. a pound ?—I suggest an absolutely prohibitive duty. I said 2d. on meat. I only gave a figure because I was asked for it; I say it should be prohibitive.

6836. Are you aware that during the last two years the imports of meat have decreased considerably ?—I am quite aware of that.

6837. As a matter of fact, they have decreased something like 50 per cent. ?—Yes.

6838. Then do you not think you are getting a better market for your stock than you did before ?—There is still an enormous quantity of imported meat consumed at big centres like Johannesburg and the coast towns, and we want to get those markets ourselves. I quite agree that the duty is to some extent almost sufficient, because we are keeping the imported article out, but I believe that by giving a little encouragement we will establish the industry so thoroughly that people will go on the land and produce meat, and eventually we shall be able to export.

6839. I suppose you have a Farmers' Association up there ?—Yes.

6840. Do you not think if you got a prohibitive duty it would tend to raise the price of meat by cornering it ?—I do not think so. I quite agree with you that it may possibly increase the cost of meat to the consumer, but that is nothing; he will have the benefit later on, although it may temporarily increase the cost now. We find the same thing elsewhere. I studied this meat business in Germany, because I was indirectly interested in the frozen meat business. There they will not allow an ounce of frozen meat to come in. An ox which is worth £8 here is worth £20 there. They foster their own industry. It increases the cost to the consumer to some extent, but on the other hand it establishes the country.

6841. You say Government have promised to build you a cold storage there ?—Yes.

6842. Have not the farmers themselves done anything towards establishing a place of this description ?—We have done everything.

6843. You have not established anything ?—We were actually prevented by the Government. A small syndicate was started in Vryburg with the most influential farmers on it, with a view to starting a cold storage there. A lot of the farmers were dissatisfied, because they thought it might create a monopoly to those people interested; and Mr. Hannon came along and preached co-operation to them, and he wanted to give it a little wider scope. Then Mr. Clarke, the Chief Traffic Manager, came along and said, "Look here; we are contemplating the erection of a cold storage by the Railway Department. We have absolutely decided to establish a cold storage in Vryburg, and we have the money voted to us"—£50,000 he mentioned—"and I fear it would clash with our cold storage if you were to go on with your private concern"; and he asked us to drop it, which we did. We dropped it on the understanding that the Government were putting up a railway cold storage. They are going to run it in connection with the railway—a sort of feeder to the railway. Since then—this was about twelve months ago—we have had constant communication with Mr. Clarke, and he says the plans are ready but they have no money, and immediately they have the money it will be put up. We had a communication a few days ago to the effect that he has sent a man to Natal to study the railway storage there, and on the 6th December the heads of departments are having a meeting and will definitely decide on the construction.

6844. The point I want to get at is that the Government have stifled private enterprise ?—In that instance they have done. I would like to point out one thing. I agree to some extent that private enterprise in that respect is a little dangerous. We know the Imperial Cold Storage in Kimberley stored the butter of a lot of the farmers during the summer months. Those people were recently approached again about what arrangements they are making for this summer's output, and they inform the people up there that they are not storing any butter at all this year. That absolutely cripples our industry. Unless the Government quickly establishes the cold storage our butter will go to waste.

6845. *Dr. Viljoen.*] Did I understand you to say that the railage on butter was a little bit high now ?—It is carried at a lower rate than the ordinary class of goods.

6846. You will be satisfied to have a reduction on the railage on butter ?—No. I said the railage was a bit high in comparison with bringing the butter from Australia —1½d. to Cape Town as against ½d. from the Argentine or Australia. I do not think the rate charged on butter is too high. I am quite satisfied with the rate. I only brought it forward as an illustration.

6847. Would you be satisfied if the railage on butter is levelled up ?—Levelled up against what ?

6848. Would you be satisfied if the railage is raised on butter ?—There is no necessity. Why should it be raised ?

6849. I will tell you ?—You are against preferential railway rates on agricultural produce ?—In toto.

6850. You want to raise the railway rates on agricultural produce ?—By no means. Why raise the rates ?

6851. Then you want to bring the imported article down to ¾d. ?—I want the stuff to be carried at a paying rate.

6852. You say you are against the preferential railway rates ?—Yes.

6853. The natural result is that you will have to raise them ; you will have to level them up. You cannot level the imported article down, because it will not pay ?—Why not ?

6854. We know the present railway agricultural rate is just paying ?—All right.

6855. So, to be consistent, you will have to raise the railage on butter ?—I would be quite agreeable to their raising it if they gave sufficient protection at the coast.

6856. You would be quite satisfied to have the railage on butter raised ?—To some extent.

6857. You do not want preference on your butter ?—We do not want any preference on the railway.

6858. Do you not think your market for meat will always be in the large consuming centres ? I mean there is no doubt you are producing a large quantity of stock and you cannot consume it all. Those are facts ?—Yes.

6859. You have to get markets ?—Yes.

6860. It may be the Kimberley market is not sufficient ?—Quite likely.

6861. Because they are raising a lot in the Griqualand West district ?—Exactly.

6862. You may have to compete with the O.R.C. in Kimberley market ?—Possibly.

6863. So you will have to find a larger consuming area for your surplus meat ?—Exactly.

6864. Cape Town would necessarily be one of the large areas ?—Yes.

6865. Do you think, on the present railway rate, you could get your meat down to Cape Town or the large consuming centres at a profitable remuneration ?—Decidedly we can, if we take it down as dead meat.

6866. At the present railway rate ?—Yes. I just wish to point out the injustice of the preferential railway rates. Every colonial manufacture produced at the coast, of every description, has a preference over the imported article over the railway, except meat. Imported meat is carried at exactly the same rate as the colonial.

6867. What is the rate ?—Third class rate for imported and colonial.

6868. What is the third class rate to Vryburg ?—4s. 8d. per hundred pounds from Port Elizabeth.

6869. You think meat should be put on the same basis as any other agricultural product as regards railway rates ?—I say that third class rate is quite good enough for us for meat.

6870. Are you in favour of any of the contracting parties to any future Convention having the right to lower the railway rate for articles conveyed to the port for exportation ?—Yes, just to meet any contingency. You mean if we have overproduction of mealies in Vryburg and no market in South Africa, but have a market in London, they should be carried at a lower rate of railway carriage to Cape Town for shipment.

6871. Any of the parties to have the right to alter the rates for that purpose ?—Yes.

6872. On any *bona fide* product of the country ?—Yes.

6873. Did I understand you to say you want a duty on tallow ?—No. We do not want an extra duty on tallow, but we want to be able to turn our tallow into soap. That came up with the question of the preferential railway rates. I only pointed out to you that we cannot turn that tallow into soap because we have to pay full rates on the other ingredients to make the soap—caustic soda for instance.

6874. You do not want any protection on tallow ?—I do not think so. Of course I look upon it in this way, that by establishing abattoirs in places like Vryburg, where large amounts of stock will be killed, there is no reason why we should ship the tallow to King William's Town or elsewhere to be made into soap. If the other ingredients are brought up without undue competition, we can establish the industry there.

6875. I can see you are a fair and reasonable protectionist. If these preferential rates on the railways on agricultural produce are taken away, then necessarily the producer will have the protection in favour of the articles decreased by the amount of the preference on the railways ?—Yes.

6876. Supposing the protection at the port is not sufficient, you are quite prepared to make that up with the difference between the preferential railway rate and the new rate ?—No. I may tell you this that there is no justification for the preferential railway rates because their production does not meet the demand in most cases.

5877. I will put it in another way. If the present protection on agricultural produce is not sufficient you are quite satisfied to have it increased ?—We are in favour of bounties on agricultural products if protection through the Customs is insufficient.

6878. I must tell you what I mean by agricultural products—articles produced in the Western Province, such as fodder, oathay, lucerne and those articles falling under the 2s. per hundred pounds duty ?—Yes.

6879. You say you are not in favour of giving any further protection there ?—I think the protection is sufficient on those particular things.

6880. But you want to make the protection against the importation of meat absolutely prohibitive. Is that consistent ?—You misunderstand me. This is not what I mean. I say it is unfair to give a preferential railway rate which is practically a bounty paid to that particular producer by the up-country consumer—nothing more or less. Why should the up-country people be called upon to pay that bounty ? If the people have not sufficient protection, let the Government give them a bounty out of the general revenue of the country.

6881. We will drop the preferences. Assume that is settled. If the contention of the producers is that there is not sufficient protection at the port, you say you will not give additional protection, but will give bounties. Where will you get the money from for the bounties ?—You say it is not sufficient. Those people are actually producing oats do-day and exporting them, so why further protect them ? Let us protect an industry which is not well established. The oats industry is fairly established. They are exporting thousands of bags at a paying rate.

6882. I am perfectly aware the exportation of oats from this Colony has taken place lately, and it is most gratifying, but that is not the point. I ask you, if the farmer is convinced that the present protection at the ports is not sufficient, are you prepared to give him additional protection at the ports ?—Decidedly, but of course I am against the up-country community being called upon to give the protection alone. We do not get the benefit of the preferential railway rates ; the people down below take advantage of them and the consumer has no benefit—not one iota. The man at the coast makes his price, the price of the imported article plus the advantage on the railway to a particular point ; they give you a price landed at a particular point.

6883. We will drop the railway rate. As a good protectionist, I want you to be consistent ?—I am a thorough protectionist.

6884. You want an additional duty on meat to make its importation into this country prohibitive. (No answer.)

6885. I want to know whether you are going to apply the same principle to the agricultural produce ?—Decidedly.

6886. You know that up to now the Conventions have been very changeable—for two years and one year ?—Yes.

6887. As a witness representing a Chamber of Commerce and a Farmers' Association, are you prepared to tell this Commission how long you would like this next Convention to last ?—At the very least five years, putting it at the very minimum. If it is a protection Convention I say keep it on for the next ten years, in order to give the capitalist an opportunity of establishing an industry if he invests money in it.

6888. You are the only gentleman we have had who can tell us anything about this part of the country. Is water accessible for irrigation purposes ?—Only at some places ; not right throughout the country.

6889. Is water fairly well distributed over the area ?—Yes. Of course our country is sparsely populated at present.

6890. Have you had any difficulties under the Irrigation Act ?—No ; they have not come to our notice.

6891. *Mr. Kayser.*] You said just now in reply to Dr. Viljoen, that the consumer gets no benefit from the preferential rates. Is that quite correct ?—Invariably. On the Colonial products, cereals and so on, he has practically no benefit.

6892. Is it not a fact to-day that Colonial flour, made from Colonial grain, is being sold cheaper than that made from the imported grain ?—But the bakers tell me it is not the same quality.

6893. Is it not a fact that the consumer can buy it cheaper than the imported to-day ?—A fraction cheaper.

6894. What do you mean by "a fraction" ?—I do not know anything about Kimberley. In Vryburg we did not stock flour, because we have had bad experience with it, but the meal we do stock. We have bought some from the Marico district in the Transvaal.

6895. If I told you Colonial flour was being sold at 6d. a bag less than the imported, would I be wrong ?—That is on 20s.—the price of a bag—which is 2½ per cent.

6896. The consumer does get it a little cheaper ?—A little, evidently, if your figures are correct, but I say the quality is not the same.

6897. You were wrong in your opening remarks. You said you asked for further protection on tallow, as well as other things?—Only as far as we are concerned up there. I was wrong as regards tallow. We want to turn it into something which at present is prohibited to us.

6898. With regard to the preference, as applying to tallow, in your complaint then of the rate charged on caustic soda, your statement that, in your opinion, it should be carried at 4s. 8d. was simply because the manufactured soap from the coast is carried at the 4s. 8d. rate?—Decidedly.

6899. You would have no objection to paying 9s. 8d. if that was the same rate for soap?—Exactly so; that is exactly my point.

6900. You have been very careful to avoid giving us what you consider to be fair protection on butter, cheese and milk. Will you give us something definite? Do you know the duty to-day on butter?—2d. a pound. I maintain there is no reason at all why butter should be imported. Keep it out of the country. Up in Vryburg, right throughout the winter month, you could go into any shop and buy the very finest butter at 1s. 6d. a pound.

6901. Of course we know butter is being made, but would you just tell us what you think would be a reasonable rate?—I say make it 4d. a pound. I want to keep it out altogether. Perhaps I am unreasonable in that respect. 4d. a pound on butter and cheese would be sufficient to establish the industry properly.

6902. My point, which I think will appeal to you as a South African, is that this country is subject to periodic droughts, and there are times when a very high duty would be a great hardship on the consumers and not a protection. We must bear that in mind in South Africa. Do you think 4d. a pound a reasonable duty?—Yes.

6903. You do not think it would be excessive?—You are quoting a special case. Special cases require special legislation. If you find you have an exceptional drought, suspend the duty.

6904. How would a duty of 3d a pound meet you? I only mention that as being lower than 4d. I want you to give your minimum amount. My experience is that people here will ask a lot because they think they may get a little?—I say 4d. a pound on butter and cheese.

6905. With regard to butter, you very fairly said that it was impossible for you to reach the Southern larger consuming centres because of the insufficient railway facilities. If those railway facilities were improved, and refrigerating cars provided, would the farmers object to an increase in the railway rate?—I may tell you that we went into all these things with the Government when the cold storage scheme was discussed, and we agreed on an additional ¼d. per pound on the butter being carried in the refrigerating car, but that is only for the provision of ice in the car.

6906. Your answer is that provided there is proper accommodation provided you will be prepared to pay an increased rate?—Not an increased rate, but we will compensate the Department for the increased outlay they will be put to; we have value for it.

6907. You will be quite prepared to pay for the extra service?—We have already agreed to that. I may tell you there is a refrigerating car for milk running between Vryburg and Kimberley. Our district supplies Kimberley with milk. In the summer months we are paying ¼d. per gallon to put it in the refrigerating car.

6908. Do you make much cheese in your district?—They have only just started. The country has just got right. Through the German war we have had an abnormal demand for our stock and they sold it as much as possible, and now this outlet has stopped they are going into the agricultural proposition.

6909. It was not made before the war?—It was.

6910. Can you tell me anything as to its quality?—I was not in Vryburg then.

6911. We had a witness who stated he made a great deal of cheese and, if I remember correctly, he said he was not quite proud of his cheese. He said if it was eaten fresh it was perfectly satisfactory, but after being opened a little while it crumbled. What is your experience?—My experience is that there is nothing finer than that cheese brought into the country.

6912. Does it keep?—Yes. A man from Mafeking, named Young, made some cheese during the summer months, and he supplied it to Bulawayo, which was his highest market, and it was a huge success. He got 11d. to 1s. 1d. for his cheese; and it was so successful that he has practically bought up all the milk within a certain radius this year to make it into cheese. It kept very well.

6913. What is the price of the cheapest imported cheese at Vryburg or Mafeking? —I believe the ordinary Dutch cheese is 8d. to 8½d. in the Bay, and it would cost us landed there 10d. a pound.

6914. It would be retailed, say, at about 1s. 3d.?—Yes.

6915. So to-day, as a matter of fact, the cheaper imported cheese could compete with cheese manufactured up there?—Of course it could, but my point is that our cheese cannot compete with that cheese in Port Elizabeth.

6916. We have had that evidence, and I wanted to find out whether the atmosphere in the North was the reason for the cheese crumbling. We have had it in evidence that other places make excellent cheese. Your point with regard to cheese is that it can be made at distances from the railway, whereas with butter it must be near?—It is made considerable distances away in our part. We have a man living 150 miles from Vryburg who sends in his butter by the postcart.

6917. With regard to this preferential railway rate, you have said clearly that you object to any preferential railway rate whatever?—Quite so.

6918. Supposing the majority of the evidence brought out was to the effect that the preference on South African manufactures was objectionable as opposed to the raw product, would that be a way of meeting the matter?—No. I would not draw a line. I am absolutely opposed to granting preference for colonial manufactures.

6919. You think raw material should have no preference?—No. It should be carried at a paying rate.

6920. It should be carried at the same rate as the manufactured article?—No; it should be carried at a paying rate to the Railway Department. It does not cost as much to carry a truckload of grain as a truckload of soap; it is more bulky.

6921. You think there should be a lower rate for grain than biscuits, say?—Yes, certainly there should be a lower rate there, because it pays the Department better; it does not cost them so much to handle it.

6922. The rate should be on the basis of cost; is that your idea?—Absolutely.

6923. The reason I ask is that the only instance you gave was the matter of the baker—biscuits travelling at a certain rate, and he having to pay a certain rate for his raw material?—I can give you a dozen instances. My very points were quoted by previous witnesses.

6924. The point you made was that the baker had to pay a higher rate for his raw material than the manufactured article?—Yes; and then I had down here wagons, gates, soap, and so on. What I say is that this preferential rate on Colonial manufactures is not only unfair to the inland consumer, but that preference over the railway if unfair to the manufacturer at the coast, because by protecting him through the railways it only gives him a small market. He cannot compete with the imported article with only a railway protection; he cannot get to the big consuming centres at the coast.

6925. *Mr. Scott.*] Are you acquainted with the agricultural industry in your district?—Fairly well.

6926. Can you tell us whether there is much lucerne grown there?—It only started quite recently. A number of farmers are going in for it, and bringing up ostriches and so on, and it has been a great success; in fact so much so that a farmer wanted us to send the lucerne away for him. We never met an inquiry like that before. They do go in for it now.

6927. I ask you because you state your country is a stock producing country?—Yes.

6928. Have you an idea what effect lucerne growing will have on the milk cows?—No, I have not; I am not a farmer.

6929. With regard to tallow, did I understand you to say that you disapproved of the tallow being sent to the coast?—I did not disapprove of it exactly. I disapprove of the principle that, through these preferential railway rates, the establishment of any particular industry is absolutely impossible inland. I only quoted the tallow as an instance.

6930. Do you think you could manufacture soap at Vryburg equally as well as at the coast?—Why not?

6931. You have to import your other ingredients?—Decidedly we can. Our farmers are making a lot of soap; our Farmers' Association took it up.

6932. Large quantities of tallow are wanted by the soap manufacturers at the coast, and it seems to me that that is your market?—Yes, but I disapprove of the principle that they will not bring the caustic soda up to us at the same rate as they would bring it up at when it is manufactured into the soap down there.

6933. I think I understood you to say you are a cold storage expert?—No.

6934. You said you knew something about cold storage?—Not too much.

6935. In Germany I think you said?—No. I said I was interested in cold storage. I am not an expert. I went into it thoroughly because I was interested largely in the syndicate which was started, which I mentioned to the Commission.

6936. I wanted to ask you a few questions on cold storage and how it would affect the farming industry?—I have experience of the cold storage of butter.

6937. There are no refrigerating cars for butter between Vryburg and Kimberley?—There is a refrigerating car which takes the butter in to travel from Vryburg to

Kimberley, but there is no cold storage accommodation at Vryburg for storing that butter or handling it.

6938. Will your butter keep in the cold storage after you have made it ?—We have kept butter in the cold storage for seven months, and it has kept perfectly.

6939. In your opinion, it will keep all right ?—I am convinced of it; we have tried it. We have had hundreds of cases of butter in the cold storage last year, and it keeps perfectly.

6940. Now with regard to meat, would you tell us of the cost of, say, a sheep at Vryburg ?—I am not referring to sheep when I say meat, but cattle principally.

6941. Tell us the cost of cattle ?—At present we have no market. I have seen fat slaughter oxen sold at £7, £8 and up to £10 each quite recently, which would work out, I suppose, at about 25s. per hundred pounds—practically about 3d a pound.

6942. Your idea is that if you could establish cold storage you could chill your meat and then send it to the large centres for consumption in refrigerating cars ?—Exactly ; that is our scheme.

6943. I cannot understand why the Government would hamper such an industry as the establishment of cold storage ?—They have not hampered it.

6944. I understood you to say that ?—Let me explain. Mr. Clarke was absolutely sincere in the matter, because he has had a vote of £50,000 given him by Parliament in order to erect the cold storage, but unfortunately he cannot get the money. If he has not interfered we should have had the money. It is through the Government being unable to raise the money ; the vote is there all right.

6945. Would our Colonial meat be suitable for chilling, or would it be detrimental to it in any way ?—I do not see why it should be. I have not tried it. We took it for granted it would be suitable. We have never had experience of Colonial meat being chilled.

6946. Your idea is that in times of drought you will kill the cattle and chill the meat and put it on the markets ?—To put it on the market where there is a demand for it.

6947. Are there refrigerating cars carrying fruit from the coast up to Vryburg ? —No. We import very little fruit ; we are quite self-supporting in that respect.

6948. Are many eggs and poultry produced ?—Yes. We send quantities of eggs to Kimberley ; in fact, I am absolutely sure we supply Kimberley, because quite recently there was a washaway between here and Vryburg, and we could not get our eggs down here, and immediately there was a tremendous jump in the price, which proves to me conclusively that Bechuanaland is supplying Kimberley with eggs.

6949. Are you likely to produce condensed milk ?—There is no reason why it should not be ; if sufficient inducement is given to capitalists to put plant down we can produce it. At Pokwani, in the Vryburg District, they are making pasteurized milk and sending it to Kimberley. The milk consumed here is largely pasteurized milk, coming from Bechuanaland. If we can do that, there is no reason why we cannot condense it.

6950. I understand in your district the prospect is great for all such articles as butter, eggs and poultry ?—Absolutely ; it is the market for South Africa. Before the year we had representatives from nearly every butcher in Johannesburg buying meat from us.

6951. Are you in a position at present to make use of cold storage stores if they are available ?—Decidedly. We have no market for our stock at present.

6952. You say you are over-producing at Vryburg. Have you any suggestion to make with regard to cars ?—The only suggestion is that the Government hurry up with their cold storage scheme as quickly as possible. We are sending cattle here and to Cape Town, but every ox we send there costs us £1, and it also loses weight.

6953. It only costs ½d. a pound to send butter and meat to the coast ?—It costs more with packing.

6954. You gave the rate of 4s. 8d. ?—That is the goods rate, but butter sent to Cape Town must be consigned by passenger train, and they charge the parcels rate.

6955. That is on account of there being no refrigerating cars ?—Quite so.

6956. *Mr. Harlow.*] You know that the imports of butter have been on the increase this last two or three years ?—I was not aware of that.

6957. As a matter of fact, in 1906 there was £30,000 worth above the 1905 imports ?—It may be accounted for by the manufacture of Colonial biscuits. I know the biscuit manufacturers at the Bay use nothing else but imported butter, and that may possibly be the reason for the increased importation.

6958. If the 4d. a pound duty is put on, will it not be a disadvantage to this industry ?—No. It is not to say that this 4d. a pound will go to the producer here. It is simply shutting out competition. The price will not go up much.

6959. Do you think this Colony can produce £260,000 worth of butter in a year ? —Yes.

6960. Over and above the present production?—Yes, or in a year or two, at any rate. We turn it into soap at present. I would like to mention the matter of bonded warehouses. At present a merchant at the coast has his bonded warehouse, where he keeps his liquor and all highly rated goods, and he has a decided advantage over the inland merchant, who has not got the facilities for storing goods in bond. Immediately we clear anything in the way of liquor it means huge sums of money. We have not only to pay railage on it, but we have to plank down the duty straight away. I think some provision should be made for this at fairly large centres. There would not be any extra outlay; it would be controlled the same as the Excise to-day, by allowing highly taxed goods to come to the inland centres in bond.

6961. *Mr. Scott.*] With regard to these cold storages at the coast, are these stores likely to be used for export purposes?—I think so in time to come.

6962. That is your opinion?—That is my candid opinion.

Building Trades, embracing Carpentry and Joinery, Glass Embossing and Bevelling, Leaded Lights, Leaded Pipes, Shop Fitting and Stone Cutting.

James Farquharson Trembath, Printer, representing the Kimberley Trades and Labour Council, examined.

6963. *Chairman.*] You represent the Kimberley Trades and Labour Council?—Yes.

6964. What points do you want to bring before the Commission?—I wish to bring forward the evidence of the carpenters and joiners union, in regard to the tariff and in regard to the railway rates, in the first place, and secondly to deal with my own society in regard to printing. I am a printer only, and can only put forward the evidence of the carpenters as it has been put before me. I understand the general conditions of the trade. The carpenters of Kimberley have been considering the present Customs Commission, and recommend the following duties in the new tariff on goods imported from oversea:—Joinery, comprising doors, windows, stairs, fittings and fixtures for buildings, and shutters and mouldings for buildings 25 per cent. duty; shop-fronts, show-cases, office furniture, etc. also 25 per cent.; church and school furniture to pay 25 per cent. instead of coming in free; and further recommend that rough timber be admitted free of duty. Then the last recommendation is that, if the tariff is approved it exist for a period of five years, instead of being changed about. I have a further recommendation from the carpenters: we should recommend an advisory Board be formed, composed of members from the different States, to adjust the tariff when necessary to protect new industries, etc. That finishes the recommendations in regard to the tariff. We have also some recommendations in regard to the railway rates: That the 20 per cent. reduction on joinery from the coast towns should cease, and that a reduction in all rough timber be given instead. The reason is that the builders in Kimberley procure their ready-made joinery from the coast towns, owing to the advantage of the reduction in the railway tariff of 20 per cent. If this reduction were taken off, a good number of joiners would find employment in Kimberley, and apprentices would be able to learn the work. Under existing conditions they are unable to do so. I would like to put the following facts forward in reference to this: Practically every builder in town is obliged, owing to the keen competition, to have every bit of his wood worked up in Cape Town and Port Elizabeth; and it is a well known fact amongst all the builders here that such a thing as a workshop for carpenters and joiners is practically non-existent; there is no such thing. They consider that if this advantage on the railway was taken away the Kimberley carpenters would be able to compete with the carpenters at the coast. They also recommend a reduction in the cost of foodstuffs on the railway; they think they might be cheaper. That is all in regard to the carpenters. I am quite prepared to be examined in regard to the labour conditions in Kimberley, but not on the technical points.

6965. *Mr. Harlow.*] Do you know the rates of wages existing in Kimberley now?—£5 a week.

6966. For how many hours?—Fifty hours as a rule.

6967. Do you know how many carpenters there are engaged in Kimberley now?—Very few outside, except those employed on the mines.

6968. Do you think there might be twenty?—There might be twenty, but their existence is very precarious.

6969. On account of the work being done at the coast?—Yes.

6970. And its just being put together here?—In many cases it is put together in

Cape Town; in fact the Kimberley carpenters assert that the imported stuff is put together and sent up as Colonial goods.

6971. And the carpenters maintain that, in the event of their getting this tariff, they would be able to employ the carpenters in Kimberley, and the employers would prefer that?--Yes.

6972. Have you any idea as to the cost of living in Kimberley just now?—Yes; it is very high. I consider £5 a week, for a man with a family, is practically a bare existence. A single man does very well.

6973. A man with a family can barely exist?—Owing to the high rents, high cost of living and high school fees.

6974. Everything is against the workman here?—Everything.

6975. That is the reason why you ask for a reduction of the railway rates on foodstuffs?—Undoubtedly.

6966. Can you tell us about what house rent is here—say for a four-roomed cottage?—You may have to pay £4 to £5 a month.

6977. You say there is no workshop here for the carpenters?—Practically no one working in them, any way.

6978. Do you know if there has been any tendency to import any contract labour here?—I would like to deal with that question in regard to printing. In regard to the carpentering I think there are practically no contract hands.

6979. *Mr. Tod.*] You say you want the railway rates on foodstuffs lowered?—And the duties too.

6980. What kind of foodstuffs had you in mind?--All sorts.

6981. Wheat?—Yes, also.

6982. Do you know wheat is carried at a non-payable rate?—I know the Cape Town people get the benefit of that, and not Kimberley.

6983. You really want the rate on the imported wheat lowered?—I want both the imported stuff and the colonial manufactured stuff to come on the railway at the same terms.

6984. And any protection given you want to be through the Customs?—Yes, on everything.

6985. You are quite against this preferential railway rate for manufactured goods?—Undoubtedly.

6986. You think it is unfair on the inland town that the raw material should be charged a higher rate to you than the manufactured article?—I say it is unfair that stuff manufactured at the coast should come to Kimberley cheaper than the raw material. We think the raw material should come on the railways as cheaply as possible.

6987. Have you any opinion with regard to the present tariff on foodstuffs?—I think it might well be reduced, in order that a man with a family might get cheaper living.

6988. Is not the farmer struggling also?—He is.

6989. Are you not one-sided in your request?—No.

6990. Do you think the farmer is well off and does not want protection?—I would not say that, but I say there are any amount of things a farmer can produce which are taxed to-day and which might come free.

6991. You mean which the farmer does not produce?—Yes, and has no chance of producing. You put a tax on condensed milk, because we cannot get fresh milk.

6992. If you are told they are making it in the country?—I would still be of opinion we might put a duty on imported stuff, in order to protect that industry.

6993. Do you know that is the difficulty we find wherever we go; people wish to protect a particular industry, but want the other things in at the lowest possible price?—If any Government introduced a system of free trade all round, I would go into it, but as a matter of fact none of the Government have done that; they want to raise the duties on the stuff we eat and wear.

6994. As you are advocating protection, do you not think it should be given on an equitable basis all round?—Yes.

6995. The thing is to arrive at what is an equitable basis?—We consider, under the present conditions, that the people up-country pay more protection than the people at the coast. We consider any protection in the Colony should be through the Customs.

6996. *Chairman.*] Will you go on with the printing question?—In regard to the printing industry—in which I am a practical compositor, with ten years experience in this country—as you know, the printers ask for an impossible tariff of 100 per cent. on imported printing. Personally speaking, I think that is a little bit unreasonable. I think 50 per cent. tariff would be reasonable, and it would suit us. At the present time, under the new tariff, we get 25 per cent. on all imported printing. We find that is not effective. It is 25 per cent. or 2d. a pound, whichever is the greater. Speaking from a personal point of view, I should recommend an increase of 25 per cent.—that the tariff be doubled. Ninety-nine per cent. of the employers and workmen would recommend 100 per cent., but I would say 50 per cent. I would also like to bring forward the point of contract labour. I say it is useless to protect an industry if you are not prepared to protect the men who are employed in that industry. An employer might get his men at £2 10s. or £3 at the coast, or £4 10s. up here, and when the Customs duty is on, and he is making a fairly good thing out of his business, instead of having the men already in the country he will import men from Home at perhaps £1 a week under the minimum wage in this town, while the men already in the country are permitted to walk about and starve if may be.

6997. That is a point outside the scope of the Commission ; it does not affect the railway or customs tariffs ?—I think it should not be, because it seriously affects the workers in this country. You must know that if there are twenty men in the district and they employ twenty to take their place, the twenty have to walk about the streets and someone has to keep them. In regard to the printing industry, I certainly think all the printing of the Government should be done in this Colony. In regard to the Customs and Railway and Post Office, whenever you go in them to get a form you find it is printed by Waterlow & Son, or one of the Home firms. I think that should be done away with. In regard to the printing plants of the Colony, I have no hesitation in saying that, given reasonable conditions, we can compete very favourably with the Home firms, because these Government orders are all standing orders, and we can do them very economically, the same as they could do them at Home. The last point is that, owing to the present conditions, the majority of the merchants in Kimberley import the whole of their commercial printing ; and I have no hesitation in saying that any of the Kimberley firms could do that work as well as any firm at Home.

6998. Is it prejudice ?—No, cheapness.

6999. That is why you want the duty increased ?—Undoubtedly. Of course you must understand that if we have two merchants patronising us, instead of twenty, we cannot work at the same rate as if all the merchants were ordering from us.

7000. Is there any other point ?—I do not think so.

7001. *Mr. Harlow.*] Do you think if you got the extra 25 per cent. it would force the merchants to patronise the local producer ?—I do.

7002. Would the cost be any more to-day ?—Very little.

7003. You are confident the plants are in existence here to execute this work ?—In many parts of the Colony there are big plants standing still.

7004. Locally ?—Locally we could do with twice as much work as we do to-day with the present plant.

7005. And give more work to the men who are here ?—Yes.

7006. Do you think, in the event of the Customs Tariff being raised, and its being in existence, say, ten years, the trade could then exist without it ?—If the cost of living were reduced, yes ; otherwise, no. We only get the scraps of the trade under present conditions.

7007. The railway rates do not affect your printing ?—Yes, exactly the same as the carpenters.

7008. *Mr. Tod.*] The same arguments apply ?—Yes ; the same arguments apply to printing as to the other industries.

7009. *Mr. Harlow.*] Are you aware of the fact that a great deal of the Kimberley printing is done in Cape Town ?—A good deal of it.

7010. How do you account for that ?—I account for it by the fact that the labour is cheaper in Cape Town, because the cost of living is cheaper.

7011. As the work is done in the Colony, perhaps the last tariff has done some good ?—It has done a little good, undoubtedly ; but I would call attention to the fact that in the Transvaal when they put 100 per cent. on they did the whole of the work there, and the imported printing was practically nil, but since they took off the duty even the mining houses have sent their printing Home.

7012. You complain that the Government send the majority of their printing out? —Yes.

7013. To England ?—Yes.

7014. On account of its being cheap ?—Undoubtedly.

7015. And they pay no Customs dues ?—No.

7016. Therefore they are taking advantage of the merchants ?—And of the printer as well.

7017. *Mr Tod.*] What is the rate of wages of printers in South Africa as compared with England ?—In Kimberley the minimum wage is £4 5s., and all the printers to-day are at the minimum rate of £4 10s.

7018. And in England ?—The highest pay is in London, where they are paying at the present time £2 a week for fifty hours.

7019. And as practically in connection with printing it is nearly all a question of labour, and as the wages here are twice as much, you want the extra duty?—Yes, to enable us to compete. In the provinces at Home the wages run as low as 24s.—even the Union pay—and most of the big printers in London are taking their shops out into the provinces, for cheapness.

7020. *Mr. Scott.*] Can you give us any idea of the number of printers in Kimberley? I mean establishments?—There are four printers in Kimberley.

7021. Is their much capital involved in the business?—Undoubtedly.

7022. Can you give us any idea?—I know the machinery in Kimberley compares very favourably with any shop in South Africa.

7023. Does it compare with Cape Town?—Yes, and also the class of work they turn out. Of course it is all letterpress work in Kimberley, no lithography, etc.

7024. You think 50 per cent. would enable you to compete against Cape Town? —We do not want to compete with Cape Town; we think they would both benefit by protection at the coast.

7025. You think it would be beneficial all round?—Yes. We do not want to fight Cape Town, but outside. It does not make much difference to us whether we are in Cape Town or Kimberley. We have a grievance in regard to the preferential railway rate; and we also have a grievance that there are a great many employers in Cape Town cutting things by introducing cheap contract labour.

7026. Where do they get it?—From home.

7027. Do you not get the same?—No. We have only had two hands. I tramped the streets myself for six months as the result of this sort of thing.

7028. Is there much Government work done in Kimberley?—Yes, we have the Government contract for the "Advertiser"—that is, the Crown Prosecutor's Department and several of these things, and also book-binding. We print indictments and calendars, and bind the registers, and so on.

7029. You get a fair amount of work?—A little of it—only a small proportion. We also get some railway work at times.

7030. Do you think you would get more if the tariff were increased?—If all the Government Departments called for tenders in South Africa, undoubtedly we would get a lot of it—that is, if they applied the tariff we ask for to the Government printing.

Engineering Trades.

Thomas Stratten (of E. W. Tarry & Co.), Engineers, examined on Engineering and Railway Rates.

7031. *Chairman.*] You have put in a written statement of the points you wish to give evidence on?—Yes. Resumé of statement:—

(1) To inland communities Customs dues cannot be considered apart from differential rates on railways.
(2) Objection to present differentiation between:—
    (*a*) Workshop tools, 3 per cent.
    (*b*) Mechanics' tools, 12 per cent.
(3) Suggested duty on certain lines of Cast Iron Manufactures.
(4) Bonuses. Objections to. But even an open bonus better than present bonus surreptitiously given by rail rates under cost.

7032. Do you want to state anything in addition to the statement?—I have no note of anything further, unless anything else comes up in any questions which may be asked.

7033. *Mr Tod.*] I would like you to explain to the Commission No. 1:—"That the Customs dues cannot be considered apart from differential rates." Are you in favour of these differential rates being continued?—Certainly not. It is impossible to manufacture goods here on equal terms with the coast manufacturers so long as the coast people have further protection afforded them in railway rates. That is a point which is so clearly understood here that it almost seems like repetition to go over the grounds of that in Kimberley, because to those knowing anything at all about it it is one of our great grievances. I think a few instances would be sufficient. I do not want these instances to be taken as our grievances; they are only illustrating the principle. I am almost afraid of giving the instances lest the rectification of those instances should be taken as putting right our grievances, which would not be the case; there might be grievances still left. For instance, we will take tanks. Tanks come up at the third class rate, whether they are imported or made in the Colony. I think there is not a further reduction. I am not sure of that; there may be a further 20 per cent. afforded to colonial goods. At any rate, the difference is bad enough against us without any further differentiation. We pay 3s. 8d. on tanks brought over rail to here, and if we make those tanks here, on the sheet steel or galvanised iron we pay 7s. 5d. a hundred; we have to pay more than double the rate for raw material, and there is no rebate provided or anything of that sort. There is a more glaring instance still in gates. Farm gates come up under the fencing material rate, which I take it is a rate below cost. They come up at about 1s. 1d. a hundred. The tariff book gives the tonnage rate, but it works out to about 1s. 1d. a hundred.

7034. From Port Elizabeth ?—Yes; all my figures are reckoned from there, for the sake of comparison being made, that being our nearest port. If we make the gates of bar iron or pipes here we have to pay 7s. 5d. freight. Then again take agricultural or irrigation machinery. Most of the material that we should use in making this machinery here would cost us at least 7s. 5d. per hundred pounds, and some of it more. If it is made at the coast—Colonial made agricultural machinery—it comes up at 3s. 8d. a hundred. There is one instance I would like to draw attention to—anti-friction grease. We will consume here more anti-friction grease than all the rest of the Colony put together. We could not attempt to make it here. That is carried at 3s. 8d. from Port Elizabeth, and if we tried to make it here the ingredients would cost at the rate of 6s. 8d. or 7s. 5d. The carriage on the materials would be more than double what we could get the made stuff at.

7035. Is it all imported ?—A great deal of the anti-friction grease is made, or mixed, in Port Elizabeth. There may be a few of the ingredients produced in the Colony, but I am rather doubtful of it.

7036. You say gates come at 1s. 1d. under the fencing material rate and the material at 7s. 5d. ?—Yes.

7037. What does the raw material consist of ?—Bar iron or pipes.

7038. Would it not mean you would get up into Kimberley an immense value of piping which would not be used at all for making gates ?—That depends upon what regulations you have. I am not advocating carrying the raw material at 1s. 1d.

7039. What would you suggest to put the matter right ?—That is the difficulty I pointed out at the beginning—that if you are trying to put right all these individual cases you never get any further. What we want to put right is the principle of equal rates. We do not want to see farming or any other industry surreptitiously aided by lower rates than cost.

7040 Generally speaking, I suppose the stand you take is that any protection afforded should be through the Customs and not through the railway ?—Absolutely. We object to protection or aid to any industry being rendered by means of railway rates.

7041. Do you object to protection being given to industries through the Customs ? —No; we are in favour of it—that is, in reason, and where it is of use in establishing an industry.

7042. With regard to No. 2 in your statement: "Workshop tools and mechanics' tools," what would you advocate there—that the workshop tools be raised to the mechanics' tools rate or that the mechanics' tools rate should be lowered. Workshop tools are at present 3 per cent. and mechanics' tools 12 per cent.?—I think mechanics' tools should rather be brought down to the workshop tools rate, unless it is decided to levy a protective duty on machinery in South Africa, which I am afraid could not be carried.

7043. I daresay the rate on mechanics' tools was with the idea of revenue, and not with the idea of establishing factories ?—I think that is so, and if it is so it is an unjust tax. I have not seen this point raised, and do not know why it has not been. It taxes the comparatively poor man and lets the machinery and plant in for the man with more capital at his command free.

7044. Do the mechanics generally find their own tools ?—Yes.

7045. The only point is whether it would not be better to raise the workshop tools to 12 per cent. and not disturb the revenue ?—The disturbance of the revenue would not be very heavy.

7046. You are in favour of lowering the mechanics' tools rate ?—Yes. The bulk of them are tools which cannot be made in the country. It would take two or three lifetimes to establish a tool-making industry in this country; we shall never see it.

7047. As it is a necessity for the workman to have his tools, you are in favour of giving them at the lowest possible price ?—Yes. May I also point out that I do not agree with the classification separating the two classes—the details I mean ? You get engineers' ratchet braces in duty free, and carpenters' braces pay a duty.

7048. What is the difference ?—One is used by a fitter and the other by a carpenter—one for boring iron and the other for boring wood. I think the separation has been made by a man who has not a full knowledge of mechanical tools.

7049. If your recommendation were adopted—that tools generally come in at a lower rate—that would meet your difficulty ?—Yes, but if that were not done there should be an amendment of the classification.

7050. No. 3 : "Suggested duty on certain lines of cast iron manufactures." What do you suggest there ?—I would suggest a duty of 25 per cent. or 30 per cent. on structural cast iron, stoves and grates.

7051. Is there any duty at present ?—Yes, 15 per cent.

7052. What does the term "structural cast iron" cover ? Do you wish it to cover girders ?—No. It would simply become a revenue tax then.

7053. In Kimberley I have noticed girders which have evidently been brought from Durban ?—There are no girders made in South Africa, and they are never likely to be, because it takes too big a rolling plant.

7054. I saw the name "Wade, Durban," on some in the next street, and I wondered whether they were locally made ?—They do not roll any heavy ones ; they might roll a few light ones.

7055. Will the definition "structural cast iron" cover the articles, or will you have to define the vorious things ?—I think it will cover them.

7056. Are you in favour of bonuses to manufacturers ?—No.

7057. You know certain bonuses have been granted in the Orange River Colony on jams ?—Yes. We are most of us opposed to bonuses. The large majority of the members of our Chamber of Commerce oppose it, chiefly because whatever bonuses are paid will have to be made up largely from our taxation here.

7058. In regard to the railway rates, you are clearly against preferential rates being given to colonial manufactures or colonial produce ?—Yes.

7059. *Mr. Harlow.*] You say the Chamber of Commerce object to bonuses. You say it would come on the shoulders of the merchants ?—I do not say that ; I speak of this community.

7060. Do you not think it would be a more even way of distributing the tax than putting it on at the Customs ?—I cannot see it, and, furthermore, I think it is utterly impracticable in the present financial state of the Colony. I may say, however, that we would prefer an open bonus than having a bonus which is granted practically by carrying goods below cost, or below the proper average commercial rate on the railways.

7061. It is the open bonus I am referring to. Would you object to a bonus being paid on the products of the Colony ?—Yes.

7062. You prefer the tariff at the ports ?—Yes.

7063. In reference to the question of the tools, you do not state definitely whether you would prefer to have the mechanics' tools lowered to the workshop tools or the workshop tools raised to the mechanics ?—I would prefer to have the mechanics' tools lowered, they being an absolute necessity to the mechanic, who is a labouring man and has not much money to spare.

7064. For the purpose of revenue you would have no objection to the workshop tools being raised to the mechanics, would you ?—That covers a very large question. I would certainly object to workshop tools being singled out for duty. I do not see why you should single out that machinery for revenue. If you do that you must also put it on agricultural machinery, and you will not venture to do that ; I do not think any Government will venture to try it.

7065. You would not object to their trying it, would you ?—You are going into politics now.

7066. I am on the question of raising the revenue of the Colony. Do you think the mechanic should pay a tax on his tools and the farmer not ?—No, I think it is most unjust that the mechanic should have to.

7067. You think they should both be on the same basis ?—Yes.

7068. *Dr. Viljoen.*] If I understand you correctly, you want to do away with the railway differentiation on the Colonial manufactured article ?—Yes.

7069. Do you advocate doing away with the preference on the railway with reference to raw agricultural products ?—Yes ; I would do away with that, too. You mean to say differentiating the South African agricultural products and the imported ?

7070. Yes. You want to do away with that ?—Yes.

7071. How are you going to protect the producer ?—He is already protected by a duty. If that is not sufficient you can increase the duty slightly. He is also protected by sea freight, and in any instance by his geographical position, which puts him nearer to the consuming centres.

7072. You think if the duty at the ports is not sufficient, and if you take away the differentiation on the railways, you should build it up at the ports ?—If it can be proved necessary.

7073. Do you think that is going to increase the cost of living in Kimberley ?—It will not affect the cost of living here.

7074. I do not quite understand that. You are going to level up the duty from ¾d. per ton per mile, which is the present carriage on agricultural products, to 1¼d., and still you say it will not increase the cost of living here. Who is going to bear the ½d. ?—We already bear the loss which is entailed in carrying these agricultural products at too low a rate. We bear it in the higher rates we pay on our ordinary goods. You must not lose sight of the fact that we pay on mileage on the bulk of goods we receive nearly double the mileage rate the same goods pay if they are carried up to Johannesburg, and we pay that because the railway and the Government say they cannot afford to lose the revenue; and they cannot afford to lose the revenue because they are carrying a lot of agricultural products at below the cost.

7075. Do you say they carry the agricultural produce at a loss ?—We presume it must be.

7076. You made a statement that the Colonial produce is at present being carried over the railways at a loss. Can you substantiate that statement ?—I believe a portion of the agricultural produce is being carried at ½d. per ton per mile.

7077. It is ¾d. per ton per mile on all agricultural produce except wheat, which is ½d. per ton per mile, because wheat did not get additional protection at the port at the last Conference. You think ¾d. per ton per mile is not sufficient to cover the cost ?—If ¾d. per ton per mile is sufficient to cover the cost, what sort of profit does 4⅛d per ton per mile yield ? That is my point.

7078. I want you to explain the apparent inconsistency of your argument that if you level up a product that is being used here by ½d. a ton you are not going to increase the cost of living ?—Whatever you level it up by you can take off the rates on other things. We do not only consume agricultural produce here.

7079. You assume now that by levelling up the agricultural products the Government will necessarily decrease, or level down, the rates on other things ?—We should naturally claim that, as a right. We presume we have rights here.

7080. *Mr. Kayser.*] You mentioned the rate of 4⅛d. per ton. What rate were you referring to ?—The second class rate, which covers clothing, a large quantity of groceries and hardware—except undamageable hardware.

7081. Does that cover articles of food ?—I am not in the food trade, and cannot answer you definitely, but I believe it does. I think it covers a good many articles of food.

7082. Groceries and so forth ?—Yes.

7083. I would like you to say definitely regarding this preferential rate. You have stated very clearly that you at Kimberley are opposed altogether to preferential rates ?—Yes.

7084. Supposing the question were to come up before this Commission as to whether there should be differential rates on the South African grown raw products only, as against the South African manufactured article, would you be prepared to give an opinion ?—We should still object to it.

7085. Then you would rather matters remained as at present ?—I did not follow it that way. No, we would rather have half a loaf than no bread.

7086. You would consider you had an advantage, as a manufacturing centre, for certain classes of goods, if the differentiation on the South African manufactured article were done away with ?—Certainly it would be better than nothing.

7087. But you would rather have both ?—Yes.

7088. In my opinion you gave most valuable evidence in regard to these rates, and if you can I would like you to leave all the examples you have brought with the Secretary. You mentioned there were one or two other examples ?—Certainly.

7089. Could you amplify that matter of tanks a little ? Do you know the difference in weight. Take a thousand-gallon tank, for instance. You might give us that later on ?—I will be pleased to work it out and furnish the information.

7090. And also the example of the farm gate ?—Yes.

7091. There is a great deal of wire used in the farm gates ?—Yes.

7092. That does come at the low rate ?—Yes, but it does not weigh much.

7093. Your objection only applies to the bar iron and pipes ?—Quite so.

7094. Is it not a fact that a certain quantity of pipes come at a low rate if they are declared for irrigation purposes ?—Yes.

7095. So you probably have half-a-dozen rates for the same article ?—Yes.

7096. That is what you object to ?—Yes. If it is within the scope of the Commission, I would like to point out that the merchant, again, suffers from the differential rates. If we stock pumps or pipes here they may be used for agricultural purposes—that is, for irrigation – or they may be used for mining. If we get them up for stocking in our stores we must pay the higher rate, presuming that they are to be used for ordinary purposes. We cannot declare them for agricultural purposes except pumps which can only be used for such purposes. Therefore, if a farmer buys from our open stock we are at some disadvantage in competing with the coast merchant.

7097. Could you get a refund from the Railway on the pump you sell to the farmer from your open stock ?—I have tried in several instances, but have never succeeded yet.

7098. On the piping then. That comes in free, does it not?—I have not succeeded in getting a rebate there.

7099. How do you obviate that? Do you manage to obviate it in any way?—There are ways of getting over it. You can sell the farmer the stuff on the coast and get it up for him.

7100. To obviate that difficulty, it would necessitate your getting the stuff up from the coast?—We keep a portion of our stock on the coast, and in our particular case it does not apply so much, but there are very few firms in the same position.

7101. And they might have to purchase it specially?—Quite so, although they might have the same stuff in stock.

7102. In regard to Colonial made machinery, you mentioned the rate as being 3s. 8d. and for material 7s. 5d. Do you manufacture machinery here?—We make a good deal of mining machinery here, but I think that is not affected. I see, on looking at the tariff book, that it does get a preference.

7103. Then you, as an inland manufacturer, are penalised to that extent?—Yes. Mining machinery is carried at the 2B rate.

7104. And that again emphasises your objection to the preferential railway rate?—Yes.

7105. Is grease manufactured here at all?—It would be utterly impossible.

7106. Why?—On account of the difference in the railway rates on the raw material.

7107. With regard to the duty on cast iron manufactures, would not the ordinary *ad valorem* duty meet you?—The ordinary *ad valorem* duty at present prevails.

7108. Of 15 per cent.—Yes.

7109. That is not sufficient?—Hardly sufficient. I would like to point out that when you add on the cost of importing the cost of the railway carriage and duty, and one thing and another, and take your landed cost here, a 15 per cent. *ad valorem* duty levied on the European value often means very little. It may be boiled down to 7½ per cent. even.

7110. Are you in favour of raw material for manufacture being carried at a low rate?—I think all railway rates should be regulated on a commercial basis. If, from a railway point of view, it pays them to carry the raw material at a low rate—and I should say as a rule it does—it should be carried at the lower rate. On the railway raw material is more easily handled, heavier and less damageable.

7111. But you are not prepared to say in a general way that you would like raw material for manufacturing purposes to be carried at a lower rate than the manufactured article?—Having objected to the differentiation in favour of manufactured goods, it would be inconsistent to ask for a differentiation in favour of the raw material.

7112. The point I wanted you to answer was this: It has been brought before us that manufacturers of furniture, for instance, who use timber, complain that they have to pay a high rate on the raw material a portion of which is waste, whereas the coast manufacturer probably pays the same rate for the manufactured article, and thus gets a benefit in regard to the weight of the waste?—Quite so.

7113. That is why I put the question to you?—But it is hardly necessary, because anyone knowing anything about the Railway Department knows that it would far sooner carry a truck of timber than a truck of chairs.

7114. In your opinion, the railway should be worked as nearly as possible on the basis of the cost of carrying the goods?—Yes.

7115. *Mr Scott.*] Does your firm do much in cast iron work?—We do a good deal.

7116. Do you manufacture in Kimberley?—Yes; we have a foundry.

7117. I suppose one of your raw materials is pig iron?—One of them.

7118. Are you in favour of that being carried at a low rate?—It pays the railway to do so.

7119. Would it pay the railway to carry it at a non-payable rate?—No; I would not advocate that.

7120. What would you say would be a payable rate from the coast to Kimberley on pig iron?—I would hardly like to answer that question; I do not know enough about the management of the railways.

7121. Could you form any idea, and hand it in later on?—I see it is carried at the third class rate at present—3s. 8d. We have no complaint to make about that.

7122. Is that from Port Elizabeth?—Yes.

7123. You think that rate is all right?—I think so. I would not ask for a reduction.

7124. Does your firm make machinery?—We make a considerable amount of mining machinery.

7125. What is meant by 'mining machinery'? Do pumps and windmills come under that?—No; they are agricultural machinery.

7126. You see such matters as pumps and windmills are a very important point with our coast manufacturers. Are you in favour of the duty being increased on these articles?—Agricultural machinery?

7127. You may call it anything you like; I mean pumps and windmills, and large numbers of machines which are made in the Colony. There are even engines and boilers up to a certain power?—There is no duty levied at present on any of that machinery.

7128. You suggest a rate of 30 per cent. in certain cast-iron goods. Would not the same thing apply to the makers of the articles I have mentioned?—It is a very large question. Do you mean to levy a protective or revenue tax? If you mean to levy a protective tax I should say no, because we cannot produce the bulk of the machinery in the Colony.

7129. Are you speaking from your own knowledge?—Yes. We can produce certain articles in the Colony; we can produce pumps.

7130. And windmills?—We could produce anything at a price, but the price may become so expensive that it will be unwise.

7131. At any rate you said you would like to see a duty of 30 per cent. on cast-iron goods, such as stoves, grates and verandah columns and railings?—Yes.

7132. Would you not be in favour of putting a like duty on the machines which can be made in the Colony?—No; it would defeat itself. There would be too much outcry; you would never get it carried. Why I single out certain articles is that in practical foundry work, although there is a good deal done now in South Africa, you could cheapen your output very considerably if you could do stock work, and therefore a duty on the goods I suggest, even if it were heavier, would probably end by cheapening the general foundry production and would not come upon the community at all. I may say a considerable quantity of cast-iron columns, rails and stanchions is produced in Cape Town, here and Port Elizabeth.

7133. I think you are a little inconsistent. You want protection on these particular articles, and would deny it to the man who can make the other articles. That is what I want to point out to you?—I have tried to explain my reason for advocating it on those articles alone—that it would be of assistance in the production of the articles you speak of, inasmuch as it will cheapen general foundry work, and enable that casting to be done cheaper. That is the only thing, in our present commercial position, we can produce advantageously.

7134. You might use the same argument with pumps and windmills?—From my own trade point of view, I would be very pleased to see the duty levied on the other articles, but did not think it worth advocating, because it would never be carried.

7135. Coming to large castings, such as engine beds, would you be in favour of the 30 per cent. on those?—No; not unless you levy it on all machinery.

7136. Would it not be better to enumerate those articles, and hand it in in writing?—I think the heading I gave—structural or building cast-iron goods, stoves and grates—is sufficient.

7137. I do not think so, because you may have a heavy cast iron boiler. You might not be able to produce that here?—I see your point.

7138. That is my reason for asking you to enumerate them. Then again with regard to girders, you said these could not be made in the Colony. Now girders are put together in the Colony, although the iron is not rolled here, and I understand there is a desire to make up all iron work in the Colony, such as bridge work and iron girders—to put them together. Would you be in favour of protecting that industry?—You are then levying a tax on development, which I believe is why machinery has been exempted, and I think it is perhaps well to stick to that principle.

7139. In other words, you would not be in favour of it?—No. I am not very strong on the point, though.

7140. Do you make any rainwater goods, like gutters and rain pipes?—No, that is outside our trade.

Railway Rates.

Robert Henry Hollingworth (of Stevens & Hollingworth,) representing Sheet Metal Workers, examined.

7141. *Chairman.*] You wish to speak on railway rates?—Yes, as affecting galvanized tanks, etc.

7142. What firm do you represent?—Stevens & Hollingworth, and the different plumbing firms.

7143. Will you state the points you wish to bring forward ?—There is only one point, and that is with reference to corrugated tanks and rainwater goods generally. I believe the railway carriage on tanks made up at the coast is 3s. 10½d. from Port Elizabeth.

7144. *Mr. Kayser.*] That includes 2½d. cartage ?—Yes. On the unmade material, which is less bulky, the rate is 5s. 8½d. On dipping tanks the rate is 4s. 9½d. I would be in favour of the rates being uniform, so as to be fair and equal to everybody. If this is a case of revenue, my idea is that the revenue should be obtained at the coast through the Customs, making the railway rates equal throughout the country, so that every one has a fair and equal chance.

7145. *Chairman.*] The raw material should be carried at the same rate as the tanks ?—Or *vice versa.*

7146. *Mr. Kayser.*] You want to ask that in the case of tanks the rate for galvanized iron shall not be more than the rate for the colonial manufactured tank coming up from the coast ?—Or *vice versa*, so that every one is on the same footing.

7147. You do not object to the tanks being raised to the same price as the galvanized iron ?—Certainly not.

7148. But, as a manufacturer, you would prefer a low rate if it paid the railway ? —Of course much of our capital is in carriage. In heavy and metal goods the bulk of one's capital is in rail carriage.

7149. Do you find this affects your trade ?—Yes ; we cannot compete.

7150. Are tanks brought up from the coast ports ?—Principally from Port Elizabeth.

7151. From a railway point of view, which would pay them best—to carry the raw material or the tank—supposing they were both on equal rates ?—It would pay to take the raw material, because that is not so bulky. A 400-gallon corrugated tank would weigh a little over 100 lb., which would be carried at 3s. 10½d., and the same material in bulk—it only has about eight sheets in it—would be about 6 ft. x 2 ft. x 2 in. So if you have a train full of tanks it costs more for the haulage of the tanks.

7152. They could not, as a matter of fact, carry the weight of tanks the trucks could carry ?—No, unless they had other goods to pack underneath.

7153. You are satisfied with the matter of duty ?—From a personal point of view I have nothing to say about the duty.

7154. If you had this railway anomaly put right you could compete ?—There is one point with regard to ingot tin. It is a little matter. That, hitherto, has only been carried at second class rate. It is practically undamageable. Even if the train caught fire and the tin were melted, one would be satisfied with getting the weight of pure tin.

7155. You want it to be taken at the lower rate ?—Yes.

7156. Do you make tinware ?—Only in small quantities. We cannot compete with the South African made article and also the imported article. I have not really gone into the matter, because our rates of wages here are so much higher than at the coast that we cannot really compete. Then with regard to all hollow-ware and metal goods, there is a considerable amount of waste we have to pay carriage on, which is a great disadvantage to the upcountry man—whether in Kimberley or anywhere else. Not only do we have to pay railage on the waste, but we have to pay for carting that waste away, and have to pay a higher rate of wages.

7157. Do you know the railway carriage you have to pay on tin plates ?—That has recently been reduced to 6s. 8d. It was formerly 8s. 6d., and against that the coast people had a preference of 15 per cent. when it was made up. I believe sheet tin and tinware now come at the same rate.

7158. The only loss you suffer is in the waste ?—Yes, and then we have to pay higher wages.

7159. *Mr. Tod.*] In answer to Mr. Kayser, you pointed out that, in your opinion, it costs more to carry the tanks on the railway than the raw material to make the tanks ?—I said if the train was loaded with tanks and they could not put any heavy goods on.

7160. The tank is also more damageable ?—Yes.

7161. It seems to any one thinking over the matter that it would be cheaper to carry the raw material. Still, you would be satisfied with the same rate ?—As long as every one in the country is on the same footing as regards rates and duties. That is my opinion about it. Then we have fair, open competition.

7162. *Mr. Scott.*] You gave an instance of a 400-gallon tank, and you said, I think, that the tank was carried at a rate of 3s. 10½d. per 100 lb. ?—Yes.

7163. Can you tell me the railway freight from the coast here on a 400-gallon tank ?—It weighs just over 100 lb. according to the weight of material put into it.

7164. Can you tell me how much the galvanized iron for that tank would cost ?— The difference between 3s. 10½d. and 5s. 8½d.

7165. Apparently you are penalised in that direction?—Yes.

7166. Are you likely to use up the waste tin and galvanized iron?—No. It is carted away on to the rubbish heap, for which we have to pay cartage.

7167. Is there any liklihood of there being factories to use up the small waste pieces?—Not as far as I can see.

7168. You said you thought you could hold your own against the coast manufacturer in manufacturing these?—I do not say that.

7169. But if you get your raw material carried at the same rate as the manufactured article?—I do not say we could hold our own, because we have to pay a higher rate of wages. Still, if we are on a level footing it will be more fair.

7170. You would be satisfied?—Yes. I suppose we should have to work a little harder than they do down there, which we do. My experience is that the men we have from the coast do not work as hard as the men we train here.

7171. Do you make rainwater goods?—Yes.

7172. Do they pay a higher railway rate than the plain iron?—That is a matter I have not gone into fully, but I think they are carried at the same rate as the tanks.

7173. Have you many apprentices in your employ?—About half-a-dozen.

7174. Are they white?—Yes.

7175. You think if this alteration were made in the railway rates it would be beneficial to your business?—It would be beneficial to all businesses up-country, I take it.

George Church, Builder and Brick and Tile-maker, examined:

7176. *Chairman.*] What is the subject you wish to give evidence on?—In reference to improvements for local industries. The question is asked in Item 7 of the Terms of Reference. I have put in a written statement (not printed).

7177. This will scarcely come within the scope of our inquiry; it is a matter for the Railway Department. If you will put in a further statement, giving all figures, I will place the matter before the Railway Department. Are you satisfied with the railway rates?—I am satisfied with the down rates, which has enabled me to get this order of 200,000 bricks.

7178. *Mr. Tod.*] Does the question of preferential railway rates affect you at all? —Slightly. Preferential railway rates on colonial manufactured stuff made out of imported goods affect us here.

7179. What are your views in that connection? Are you in favour of the preferential railway rates being continued or abolished?—I am in favour of preferential railway rates being given to colonial manufactured goods made out of the products of the country, but not manufactured out of the imported raw material.

7180. Do any of the manufacturers at the coast make this terra-cotta, or are you the only maker in Cape Colony?—I think there is a little made in Cape Town, but not much. They have never taken up the thing as I have, and carried out terra-cotta designs for architects. I have carried out two such jobs. I believe they make small articles at the Cape.

7181. Of course all the material you use is in the Colony; you do not import clay?—I am not only a brickmaker, but a builder as well.

7182. But for the terra-cotta goods do you get the material locally?—Yes.

7183. And I suppose any one at Cape Town could get the material there also?—Certainly.

Henry Schmidt, Produce Dealer, examined:

7184. *Chairman.*] You wish to give evidence on differential railway rates?—Yes.

7185. Will you state to the Commission what alterations you suggest? Is it on the Customs or only the railway rates?—It affects both. I am giving evidence on clause 4—the question of preferential railway rates on South African produce—principally foodstuffs, such as meal and flour. I wish to point out the tremendous difference in the railway rate, landed at Kimberley, of the imported as compared with the South African. The imported rate on meal and flour is 52s. 2d.—I am taking from Port Elizabeth as the basis—and South African 21s. 11d. I am just working at the bare rates; perhaps some of you gentlemen's figures will be a little different. There is a difference of practically 30s. a ton, or 3s. per bag of 200 lb. Our experience is that most of the colonial produce is sent up-country, and the farmers themselves consume the imported wheat largely, and imported meal and flour. That practically means that we up-country are saddled to the extent of 3s. a bag of 200 lb., which we consider manifestly unfair. We think the duty should be increased at the coast in order to make it equal, so that the burden shall be borne by the whole of the community and not by one section of it.

7186. And the railway rates should be the same?—Yes.

7187. Do you use principally colonial or imported things up here ?—We have both.

7188. That is the principal point you wish to bring before the Commission ?—There is the matter of the difference in regard to grain also.

7189. Mealies and things of that sort ?—Yes, the difference in South African grain as compared with the imported.

7190. The same argument applies, I suppose ?—Not quite to the same extent. The rate is higher on grain than on breadstuffs.

7191. You do not get imported grain now ? It does not affect you in that way ? —There is very little just now, but in certain seasons we get a lot.

7192. Do you want them equalised ?—Yes.

7193. Do you not think it would make living dearer here if you had them equalised ?—I do not think so—not if the duty is put on at the coast.

7194. It would be a levelling up, and not a levelling down, if you had things equalised ?—I certainly think a levelling up would be better than two rates, leaving a loophole for dishonesty. All meal, all flour, all grain would come at one particular rate, and not one rate for imported and another rate for colonial ; because, apart from taxing the inland community above those at the coast, or near the coast, there is this loophole for dishonesty.

7195. What I mean is, leaving out meal and flour, you get all your colonial grain and produce in the Colony, and you want them at the same rate as if they were imported ?—I do not say we are getting it all from the Colony. At certain times we get most of it from the Colony, but at times we do not. Take breadstuffs.

7196. I am leaving out meal and flour ?—The difference between the imported and the colonial is not very great on the grain ; it is 21s. 10d. a ton.

7197. *Mr. Tod.*] Grain other than wheat ?—Yes.

7198. *Chairman.*] Meal and flour are more the important point ?—That is the principal item.

7199. Is there any other point ?—I would like to compare the rate on Colonial brandy as compared with groceries or foodstuffs. Foodstuffs come under the second-class rate—the 2A rate ; the majority come under that rate. The Colonial brandy—taking Port Elizabeth as the basis—would cost 3s. 8d. per 100 lb., and groceries 7s. 5d., or a difference of 3s. 9d. That is, a truck with five tons of brandy would cost £18 6s. 8d., as against a truck with five tons of groceries costing £37 1s. 8d., which I consider manifestly unfair, one being a luxury and the other foodstuffs. That is taxing the poor man.

7200. What do you wish ; do you wish Colonial brandy to be increased or groceries reduced ?—I certainly think brandy should be increased. I do not think the rate on groceries is too high, but on brandy I think it is too low.

7201. Is there any other point ?—No ; that is all.

7202. *Mr. Tod.*] Your argument is that you are against the principle of giving protection through the railway rates ; you want it to be through the Customs ?—Yes ; I think the protection should take place at the coast.

7203. Of course we have the preferential railway rates in regard to Colonial manufactures. Are you against them also ?—No. I think they should apply more on the raw material.

7204. Is not the same principle involved again ?—Not exactly. But I certainly think an opportunity should be given to the manufacturers inland.

7205. For instance, you may have a manufactory in Kimberley. If you import the raw material—oversea importation, of course—you have to pay one rate ?—Yes.

7206. The coast manufacturer can get his material landed at Port Elizabeth and manufacture it, and it then travels at a reduced rate as a Colonial manufacture. Is that fair on the Kimberley manufacturers ?—No ; I think it is manifestly unfair.

7207. You would be quite prepared to see the duties increased, and give the necessary protection at the port ?—Yes. I think the rates should be borne by the whole of the community and not by one section paying more than another. We in Kimberley suffer by having to pay through the railways. We do not object to paying taxes ; we are quite willing to be taxed, but we say we should be taxed fairly ; and therefore we think the taxes should come through the Customs at the port and not through the railways. We do not say we want to have the railway rates reduced, so as to lose revenue to the Government at all ; that is not our position. But we do wish to have the taxes equally borne by the whole of the community.

7208. *Mr. Harlow.*] You have mentioned several times that one section of the community has been imposed on under the present rates. Which section do you refer to ?—The inland section—those who are paying extra taxes through the railway rates.

7209. Provided the preferential railway rates were done away with, do you not think that would raise the cost of living here ?—I have not gone deeply enough into that question. It might raise the cost of living, but I do not think so—not if the duties were equalised.

7210. Is there no possibility of any manufactories being started here ?—I would not like to say no possibility at all. I am hoping to see it at some future time, but for the present there is not much possibility.

7211. *Dr. Viljoen.*] We will first speak of agricultural produce. What is the rate on agricultural produce per ton per mile ?—It is ¾d.

7212. And on the imported ?—1¼d.

7213. There is a difference of ½d. in favour of the Colonial produce ?—Just so.

7214. If your suggestion is carried out, you want to have this levelled up—the ¾d. made 1¼d. ?—I would not say level it up to the whole amount, but level it up to about 1d.

7215. And bring the imported article down to 1d. ?—Yes.

7216. Have you calculated whether that is going to equalise the railway revenue ?—No, I have not calculated that, but I say the extra amount should be put on at the ports.

7217. We are talking now of the railways. You suggest that the Colonial produce rate should be levelled up ¼d. and the imported article levelled down ¼d., so as to equalise them ?—Just so.

7218. You cannot give us any information as to whether this will be a loss to the railway revenue ?—No, I cannot give you that ; I have not got the statistics.

7219. Your suggestion is to raise the import duty at the port ?—Yes.

7220. So whatever the colonial article loses by the preferential railway rate should be made up at the port ?—Just so.

7221. Will not that increase the cost of living in Kimberley as far as the colonial product is concerned ?—I doubt very much whether it would on the whole.

7222. Let us take oathay. What is the distance from Cape Town to Kimberley ?—647 miles.

7223. If you were to get fodder from oversea you would have to pay 647 halfpennies on a ton—the difference between ¾d. and 1¼d.—which would be 26s. 8d. a ton more ?—Yes.

7224. Would not that be an incubus on the people ?—Yes, but I would like to say that we are given to understand the railways are carrying South African produce at a loss. We do not think we should make that up. I would not be quite sure of the ¾d. rate, but we are told it is undoubtedly so on the ½d. rate. Why should the railways carry this at a loss and the loss be made up by certain sections of the community ?

7225. The ½d. rate was a loss, but I am given to understand the ¾d. rate was not a loss. I am only given to understand that ; you may be right. Did I understand you to say you were in favour of the retention of the preferential rate on colonial industries ?—On colonial manufactured industries.

7226. Take furniture ?—Yes.

7227. You want to continue the preference on the railway on colonial manufactured industries, such as furniture, and you want to take it away from the raw product, such as the agricultural product ?—Just so.

7228. That is so ?—Yes.

7229. Does your opinion coincide generally with the opinion in the town ?—I can scarcely answer that ; I do not know.

7230. Would you be surprised if the evidence in other inland towns is diametrically opposed to the proposition laid down by you ?—I would be.

7231. I might tell you that, as a matter of fact, it is so. The contention of the other inland towns is that the preference on the manufactured industries should be taken away in order to give them an opportunity to compete with the coastal towns ?—Inland towns in Cape Colony ?

7232. In the Cape Colony. There is one little thing I want your opinion on. Have you a mill here ?—No.

7233. You get your flour and Boer meal ground ?—From the coast, yes.

7234. Have you any reason to believe that fraud is being committed in mixing colonial flour with the imported article in order to get a preference on our railway ?—No ; I have no reason to believe it is being committed, but it has been.

7235. You are particularly alluding to one case, I suppose ? Is it being carried on to your knowledge at present ; have you any reason to believe it is, rather ?—None whatever.

7236. *Mr. Kayser.*] You say you are in favour of a reduced railway rate being granted to goods of colonial manufacture ?—Yes. I should say a slight preference. I really do not know what it is now ; I have not gone into it.

7237. The difference to-day is 20 per cent, less than the ordinary rate ?—Between the manufactured and the imported ?

7238. Yes.—Manufactured from imported material ?

7239. That is not stated. As a matter of fact it is to a certain extent manufactured from imported material. The colonial manufactured article travels at 20 per cent. lower rate than the same article imported ?—Yes.

7240. You are in favour of that being continued ?—I am in favour of there being a difference in the rate; but I might say there are other members of this town who will give evidence on this point. I am certainly in favour of the raw material being carried at the lowest possible rate.

7241. Raw imported material ?—Raw imported material as well as the colonial raw material. Certainly I believe they should come at the same rate.

7242. That is the very point I want to get from you. I gathered from your previous evidence that you do not want the raw South African product to get any preference in the railway rate over the imported ?—I did not mean to convey that at all. I do not see why a manufacturer inland should not get the opportunity of competing with the coast towns.

7243. I will put the question in a plain way. Are you in favour of the South African grown raw products receiving a lower rate than the imported produce ?—No.

7244. That is the very point. Then you are not in favour of it ?—Not in favour of that.

7245. You want the imported raw material and the South African raw material to come in at the same rate ?—Yes.

7246. But you are in favour of the South African manufactured article—whether it be of South African or imported material—getting a preference ?—Going at a slightly reduced rate.

7247. What do you mean by that ? At present it is 20 per cent. lower than the ordinary rate ?—I should say 10 per cent. would be plenty. Of course this is really a line I am not competent to judge on, not being connected with it.

7248. You deal very largely in the raw South African material ?—In grain, yes.

7249. As far as that product is concerned, you wish both imported and South African grain to be on the same basis ?—Yes.

7250. But when the articles are manufactured you are prepared to allow the South African manufacturer a concession not exceeding 10 per cent. ?—That is so.

7251. You said you wanted the protection through the Customs ? Of course you are aware of the present duties ?—Yes.

7252. Do you suggest any increase of those duties ? The duty to-day on wheat is, roughly, 1s.—taking the preferential English rate—and on other grains, including fodder, 2s. Do you think those duties should be increased ?—If necessary. I do not know what the loss on the railway would be, but I say they can bear being increased to the extent of the loss the railway might make by the difference in the rates.

7253. So you would protect the South African grower through the Customs even if it meant an increase in the present duties ?—Most decidedly.

7254. Do you consider the protection of 2s. on oats, fodder, maize, etc., is sufficient ?—It would seem to me sufficient.

7255. And wheat ? I am asking you on the supposition of your argument of the same rate being charged for both being carried out. Do you think the 1s. duty on wheat is sufficient ?—I think so.

7256. Of course you have a very large consumption of grain in Kimberley ?—Fairly large.

7257. Can you tell us what proportion of this is South African grown ?—No, but I could let you have it. I have not gone into that.

7258. Could you give us some reliable figures ?—Yes, I will be pleased to let you have them.

7259. You are a large dealer yourself ?—Yes.

7260. If you could give us the proportion in your business it would be very valuable ?—Including breadstuffs as well ?

7261. I would like you to give us the unmanufactured and manufactured grains separately—all kinds ?—Yes, I can give you both.

7262. You say as far as you know there is not any question of fraud to-day ?—I do not know of any. I am not suspicious of any.

7263. You believe all the produce coming in as South African is genuine ?—I am inclined to believe that, although one has doubts at times. I have no reason to suspect any one.

7264. The real reason you ask for this duty to be taken off is to avoid the possibility of fraud ?—Yes. My chief reason is that I think taxes should be so levied by the Government as to be borne equally by the whole of the community.

7265. I do not quite follow your argument there, because it appeals to me that this preferential railway rate on South African raw products means that the coast will pay a larger proportion of the duty than you, because you are getting the goods at a lower rate ?—I do not say that.

7266. It is not so in your opinion?—No.

7267. *Mr. Scott.*] Can you give the Commission any information with regard to building materials?—No.

7268. Will there be any one to give evidence on that?—I believe Mr. Church is in the building line, and perhaps Mr. Stratton will also give evidence.

7269. Would you be in favour of a point to point rate, say from the coast towns to Kimberley?—I do not quite understand the point to point rate.

7270. Are you in favour of the same rate from East London, Port Elizabeth and Cape Town to Kimberley?—Certainly not.

7271. You suggest that in the alteration of the tariff there should be a levelling up, and I thought possibly a point to point rate to Kimberley would obviate the difficulty?—I do not see how the railways could carry from Cape Town, for instance, at the same rate as from Port Elizabeth.

7272. I suppose the community will not suffer any disadvantage in competition? —Not that I know of.

7273. *Mr. Kayser.*] Why are you not in favour of a point to point rate to Kimberley?—I think it would be a loss to the railways.

7274. And to the Colonial revenue?—Yes; otherwise I would certainly be in favour of it, but I see it would be unfair to the Government and to some coast towns.

7275. *Mr. Harlow.*] You suggest raising the duties at the ports on wheat and so forth imported. Do you think it would meet the case if bounties were paid for the production of wheat?—I cannot say I approve of bounties at all.

7276. *Dr. Viljoen.*] You have been dealing in agricultural produce for a considerable period?—Yes.

7277. Antecedent to the last Convention too?—Yes.

7278. What is the price of agricultural produce to-day, generally, as compared with the price previous to the last Convention?—As near as my memory serves me, it is lower to-day.

7279. So the duties that were put on at the last Convention have not increased the price of the colonial product?—They have not.

7280. *Mr. Tod.*] There is one point I do not think you have been quite clear upon, and that is in regard to the preferential rate on colonial manufactures. You said in answer to me that you did not wish to prejudice the colonial manufacturer as against the coast manufacturer, and yet in reply to further questions you said you were quite prepared to continue the system that the inland colonial manufacturer shall pay the high rate for the raw material and you are prepared to give the coast manufacturer a preferential rate, thereby keeping the inland manufacturer at a disadvantage?—You misunderstood me. I certainly think the raw material should come cheaper than the manufactured article, otherwise it does not give the manufacturer here a chance at all. But I might state candidly that I am not well versed on these points. We have other members who will give evidence on these matters, and they will enlighten you. That is my opinion, personally.

7281. You are not in favour of allowing the manufactured article coming at a lower rate than the raw material?—I said a rate 10 per cent. lower than the imported.

7282. But you said nothing about the rate on the raw material?—That should come at the same rate.

7283. At present it comes at a rate 20 per cent. higher than the manufactured article?—I say it ought not to be higher; that is my point.

Tanning and Allied Trades of Boot and Shoe and Harness and Saddlery Manufacturing.

Arthur James Green, Boot and Shoe Importer, examined.

7284. *Chairman.*] You represent the boot and shoe industry?—Yes.

7285. Will you state what alterations you wish in the Customs Tariff?—I think the point I would like to bring forward is generally admitted to be a grievance existing at the present time in the boot trade, and that is the present minimum duties on boots and shoes, which is a tax on the poor man. To show the difference existing to-day, I would point out that a case of slippers costing £16 5s. cost 43½ per cent. to land in Kimberley under the old duty, and under the present minimum duty costs 61¼ per cent.

7286. What is the price of the slippers in England?—I have only the total cost of the case—£16 5s.

7287. How many slippers are there in the case ?—I have not that information, unfortunately.

7288. We would want that evidence to show the class of goods you are referring to ?—I could let you have that later on. A case of ladies shoes, costing £8 6s. 9d., under the old duty cost 36¼ per cent. to import to Kimberley, and under the present minimum duty costs 55½ per cent.

7289. Those must be boots costing less than 2s. at Home ?—The minimum duty in regard to ladies' goods is on anything up to 4s 6d. On men's goods it is up to 6s., and childrens' goods up to 2s. 3d. These are all affected by the minimum duty. Above that price they are only affected by the difference between the 7½ per cent. and 12 per cent.—4½ per cent.

7290. *Mr Tod.*] Are the cases of ladies' shoes affected by the minimum duty ?—Yes, they are.

7291. *Chairman.*] A 4s. 6d. ladies' boot would not be affected to the extent of those ?—I have not the price of these ladies' shoes here.

7292. Is there any other point ?—We consider an *ad valorem* duty on boots and shoes would be more equitable. At the present time it is only the poor man, who has to buy cheap stuff, who is affected by this minimum duty, and he is undoubtedly taxed to that extent.

7293. What *ad valorem* duty do you suggest ?—Personally, I think it might be 15 per cent. *ad valorem*. We recognise that there must be revenue, but we think it should be evenly distributed and not only on one class of the community. I should say that that duty would be acceptable to most boot and shoe people.

7294. Any other point ?—Of course I presume that this duty was put on in order to protect the veldschoen industry. That, as a boot and shoe importer, I feel is just, and we would not mind that so much, but when it comes to the cheap slippers and sand-shoes, and that class of stuff, which is affected so much by the minimum duty, we think that these things will never be manufactured in this country, or at any rate for many years to come, and we think that until they can prove they can manufacture these goods, they should not be protected to this extent.

7295. Would it meet your objection if certain classes of goods, which could not be manufactured here, were not included—such as rubber goods and rope slippers ?—All the cheap stuff. We feel that until the Colony can prove that it can produce these things, they should not be under this duty.

7296. Would it meet your difficulty if these things were excluded ?—I think that would be a fair thing.

7297. You would alter your proposition to that effect ?—I think I could. That would be a fair position to take up—that until the Colony can prove that it can produce the things, there should not be undue preference.

7298. In other places we have had certain goods placed before us which cannot be manufactured in this country, and it seems reasonable that they should be removed from this tax ?—Yes. I think that is a fair position to take up.

7299. Is there any other point ?—I think that is all I need say. These matters are generally admitted to be a grievance throughout the country.

7300. *Mr. Tod.*] You do not manufacture boots at all ?—No.

7301. We had it in evidence in Port Elizabeth that since this special tariff came into force—this minimum rate in regard to boots—a considerable fillip had been given to the veldschoen industry ?—Yes.

7302. Can you explain the reason of that ?—I presume it would be affected.

7303. Do you think the veldschoen enters into competition with the canvas and rubber boots ?—No ; they do not affect that trade at all.

7304. And if the special duty were taken off that class of goods, you do not think it would do any injury to the veldschoen industry ?—Not the slightest.

7305. Are there any boot manufacturers in Kimberley ?—No. Of course, the Western Tanning Company are represented here, but they do not manufacture in Kimberley.

7306. *Mr. Harlow.*] You say the present duty on the cheaper boots and shoes amounts to 61¼ per cent ?—That is including freight, duty and carriage.

7307. What would it amount to supposing you got the duty reduced to 15 per cent. ?—I have not worked that out.

7308. Can you tell us about what it amounts to with the present duty—9d. a pair, say ?—I have not worked that out either, but any class of goods that does not come under the 12 per cent. is charged the minimum duty, to bring it up to that I presume. I have not worked it out to see if it is higher.

7309. Do you think a 25 per cent. duty would make the average boot cheaper ?—I am not prepared to state ; I have not worked it out.

7310. You suggest a duty of 15 per cent. on all boots and shoes ?—Yes, an *ad valorem* duty.

7311. That would work out at 2d. a pair perhaps ?—I have the duty here on this cheap class of goods at 7½ per cent. That would be another 7½ per cent.—not on the total importation, but another 7½ per cent. duty. So it would probably amount to about 41 per cent.

7312. That is when they are landed in Kimberley ?—Yes.

7313. Have you any complaint as to railway rates here ?—That is a matter we have always seriously complained about ; but there are others giving evidence on that point, and I am not prepared to go into that.

7314. Dou you think there is any possibility of your starting a boot and shoe industry in Kimberley ?—Not the slightest. Living in Kimberley is too expensive for an industry of that kind.

7315. You have a tannery here ?—No ; we have no tannery.

7316. *Mr. Kayser.*] Would you have any objection to providing the Commission with details of the contents of these cases you have quoted ? I can let you know some time to-day (shewn at end of this witnesses' evidence.)

7317. The percentages you name represent the cost landed in Kimberley ?—Yes.

7318. We can deduct the amount of railway carriage ourselves ?—Yes.

7319. Is there any railway preference on colonial manufactured boots and shoes ?—Yes, there is.

7320. Have you considered that point of the question at all ?—I have not gone into the railway matter at all, because there are others who are prepared to give evidence on that. I have only touched on this one point.

7321. I suppose there is no need to ask whether you, as an importer, would like that to be eliminated—the preference ?—I do not know. I think it is well to be fair all round. We recognise that revenue must be had, but I certainly think, as a colonist, that colonial industries must be protected to some extent, but when we find that certain goods which are not manufactured in the country are receiving protection such as I have mentioned we think it is not quite the thing.

7322. You approve of the colonial manufactured article getting a preference on the railway ?—Personally I do.

7323. *Mr. Scott.*] You suggest that the duty on these cheap slippers should be taken off—the duty on the rubber goods and rope slippers ?—I think the minimum duty should be done away with altogether.

7324. How would that effect the cheap colonial-made leather slipper ?—We find that it is protected now, but it is not manufactured to the extent, and at the price, that is required by the poor people.

7325. We have seen these cheap leather slippers manufactured in the Colony ?—Take a cheap slipper, costing in England 6s. or 9s. a dozen. With this minimum duty there is 9d. put on the cost of the slipper at once. A slipper which was once sold at 1s. a pair, costs 1s. 3d. now for the slipper alone, without freight and carriage.

7326. You suggest the minimum duty should be done away with ?—Yes.

LADIES SHOES.

C 4925	Home Cost.	Duty Paid.	Total Cost.	To Land.
"Saxon." July, 1907.	£8 6s. 9d.	£2 3s. 2d.	£4 12s. 0d.	55½ per cent.

Paid duty on above 96 prs., value £8.
S. Rate £2 3s. 2d.

OLD TARIFF.

C 4925	Home Cost.	Old Duty.	Total Cost.	To Land.
"Saxon." July, 1907.	£8 6s. 9d.	12s.	£3 0s. 10d.	36¼ per cent.

Difference, 19¼ per cent.

	£	s.	d.
36 Prs. Lds. Glace Ox. Shoes at 1s. 9¾d.	3	5	3
24 " " " " " at 1s. 8d.	2	0	0
36 " " " " " at 1s. 8½d.	3	1	6
	£8	6	9

SLIPPERS, LADIES.

	Home Cost.	Duty Paid.	Total Cost.	To Land.
C 5598 " **Kinfauns** " Oct., 1907.	£16 5s. 0d.	£5 11s. 0d.	£9 19s. 9d.	61¼ per cent.

Paid duty on above 240 prs. S.R., £5 11s.
Customs value, £15.

OLD TARIFF.

	Home Cost.	Old Duty 7½ per cent.	Total Cost.	To Land.
C 5598	£16 5s. 0d.	£1 2s. 6d.	£5 11s. 3d.	34¼ per cent.

Difference, 27 per cent.

		£	s.	d.
36 Prs. Women's Navy Felt Slippers at	1s. 3½d.	2	6	6
36 " " " "	1s. 3½d.	2	6	6
36 " " " "	1s. 1d	1	19	0
24 " " " "	1s. 2½d	1	9	0
24 " " " "	8¼d.	0	16	6
12 " " " "	2s. 1½d.	1	5	6
24 " " " "	1s 11d.	2	6	0
12 " " " "	1s· 9½d.	1	1	6
12 " " " "	1s. 8d.	1	0	0
24 " " " "	1s. 5¼d.	1	14	6
		£16	5	0

Arthur Ernest Howard, Manager of the Western Tanning and Boot Co., examined.

7327. *Chairman.*] You wish to give evidence on boots and shoes ?—Yes, and leather.

7328. Will you state to the Commission what alterations you wish to have made in the Customs Tariff?—The main points of evidence regarding the Customs Tariff and the manufacture of boots and shoes I can best leave to be given by my firm, who will be pleased to appear before your Commission at Cape Town. What I mainly desire to state is my knowledge of colonial leather, and as to its being suitable for the manufacture of boots and shoes. My experience in leather extends for many years, both at Home and in this Colony. I was for several years at the head of the clicking department for my firm. I can say that leather can be produced in this Colony equal to the imported article, except in such instances as glace and patent leathers, which are not classed as ordinary leathers. In no instances do tanners combine the manufacture of such classes of leather with the ordinary makes of boot leather. To bear out my statement as to the suitably of colonial leathers for the manufacture of boots and shoes, I may state that our firm has manufactured boots of various classes for a large number of years solely from leather tanned and produced at our own tannery. I offer an invitation for the Commission to visit our store here, to inspect our different line of goods. We have a retail branch here.

7329. *Mr. Tod.*] You do not manufacture here ?—No, not in Kimberley. Really the main evidence I wish to give is as to the suitability of colonial leather.

7330. *Chairman.*] Are you satisfied with the present tariff ?—The present tariff is, as I am advised, scarcely sufficient. At the present time there is a great deal of leather dumped here from Australia and America, so that it is rather hard to compete with this leather which is sent into the country so cheaply.

7331. Do you want the duty on leather to be increased ?—Certainly.

7332. And on boots and shoes ?—As regards boots and shoes we think the tariff should be fixed; we should have an increased tariff and it should be fixed for a definite period—say, ten years at least. Should an efficient tariff be granted an inducement would then be offered to manufacturers to launch out on a largely extended scale to meet the increased demand. Of course you will understand at the present time the present manufacturers in this Colony do not produce the higher grade of goods. These higher grade goods, of course, require very much more elaborate and costly machinery to produce them than the cheaper grades. Therefore, if a manufacturer has sufficient protection for a stated period he will see sufficient security for him to place his capital in the business in order to procure better plant and machinery for the production of these better class boots.

7333. Has the last tariff improved the trade in Colonial boots and shoes ?—In the cheaper class of veldschoens there is a noticeable improvement.

7334. It has benefitted the Colonial manufacturer ?—Yes.

7335. You are only representing your views, and not the views of your people in Wellington ?—Yes.

7336. Because they did not want any increased duty last time ?—I understood they would rather like more duty. One can understand at the present time manufacturers would not place a large amount of capital in procuring machinery to turn out the better class of goods required in this Colony unless they got sufficient protection to enable them to compete with those brought in from oversea.

7337. They came to Cape Town where we had a meeting before the last Convention, and they did not want any increase in duty ?—Was it our firm ?—Ours is the Western Tanning and Boot Company at Wellington ; this may have been another Company.

7338. What increase do you suggest—on leather ?—On leather and boots and shoes we would like the tariff to be 30 per cent.—on unmanufactured leather.

7339. *Mr. Scott.*] Does your firm make these cheap leather slippers ?—They do not make the very commonest leather slippers at the present time.

7340. Why cannot they make them ?—Of course, in the manufacture of the very commonest class of slipper which is produced, say, near Manchester, special plant would be required to produce them, and even in that instance those goods are specialised. Firms at Home making that class of goods do not make a great many other classes, and therefore they are able to turn out such very large quantities of these certain lines that it enables them to do it at such a low price.

7341. Do you make any suggestion with regard to those cheap slippers—such as rubber slippers and rope shoes ? Should they bear a duty ?—As regards the rubber shoes, personally speaking, I do not think they should require a large duty.

7342. Do you know there is a special duty at present of so much per pair ?—Yes.

7343. Are you in favour of that being continued ?—No. I would not say so as regards rubber shoes. In my opinion rubber shoes are altogether apart from leather shoes.

7344. You do not think the present duty on the cheaper class leather slipper should be continued ?—If there was a sufficient duty given there is no reason why a factory should not make a speciality of this, the same as in England.

7345. In canvas and rubber shoes ?—I am not competent to speak as to whether rubber shoes could be produced in this country.

7346. But your firm does not make those things ?—Not the rubber shoes. That is quite a special line, apart from the making of boots and shoes.

7347. Where is your store in Kimberley ?—Jones Street.

7348. You say you would like us to see your store ?—I would be very pleased to show you what goods we produce.

7349. Do you make high class shoes to-day ?—Not the highest class of boot, on account of its requiring more elaborate machinery and more skilled labour than we have at the present time.

7350. Do you know of any firms in the Western Province who make a high class boot ?—I do not.

7351. *Dr. Viljoen.*] Do you know anything of the tannery being conducted at Wellington to which you refer here ?—No. Of course I have been away from the tannery and manufacturing part for a number of years, and I am not capable of saying how it is conducted.

7352. Are you in a position to give us any information about the tannery—what quantity of stuff is produced and the quality of the article ?—Of course a good deal of the leather they produce there comes through my hands in the shape of leather and the boots.

7353. Is the leather they use there all Colonial hides ?—Yes.

7354. Do they get a sufficient quantity ? Is the supply equal to the demand ?—That I am not so competent to say as the head of the firm will be.

7355. They will give evidence in Cape Town ?—Yes.

7356. *Mr. Tod.*] Do you say you are a practical boot-maker ?—Not right through.

7357. Are you a practical tanner ?—No. I was brought up in the cutting of uppers.

7358. You say there is nothing to prevent you making high class boots in this country ?—Yes.

7359. You are not doing it at present ?—No, not the highest class.

7360. Are you selling high class boots in Kimberley ?—No.

7361. You confine yourself to the articles you turn out of your own factory ?—Yes.

7362. What is the value of the best boot you make to-day—23s. ; that is the retail price.

7363. It must be a remarkably good boot ?—It is a good boot, but not what we would term a high class boot by any means.

7364. What is it, a workman's boot ?—A medium brown boot for gentlemen, but not the boot we sell a large quantity of. Our greatest turnover is in the cheaper lines.

7365. You want the duty increased to 30 per cent., and the same duty to apply to leather as to the manufactured boot ?—Yes.

7366. You do not believe in giving the manufactured article a preferential duty against the rough leather ?—No.

7367. You must bear in mind there are boot-makers in this country and there are tanners ?—Just so.

7368. The boot-maker will ask for a higher duty than is put on the leather—very naturally ?—Yes; that is the awkward part to get over.

7369. You are not in favour of that ?—No.

7370. You think the same duty should apply to both ?—I think the leather should be protected, certainly, but that is a most legitimate industry. Everything in connection with the leather is really from the products of the country.

7371. But, not being a practical tanner, you cannot really give us any information as to what class of leather they can turn out in South Africa ?—Only from what I handle from our own tannery.

7372. Is that leather good enough to make any class of boot ?—Not to make the very finest class of boot.

7373. Could they not make the leather in this country to make the finest class of boot ?—I should say they could eventually, with more skilled labour.

7374. Now with regard to the special duties, you know there is a minimum in regard to these cheap boots of 9d., 6d. and 3d. a pair. Are you in favour of these minimum rates being continued ?—I am in favour of having a rate sufficient to enable the colonial article to compete against the imported.

7375. You said you wanted 30 per cent. These special rates work out at quite that in some cases ?—I would suggest a duty of 30 per cent., with a minimum on men's of 2s.; women's and youths', 1s. 6d.; boys' and girls'—that is elevens to ones—1s.: boys' and girls'—sevens to tens—9d.; and infants', 6d.

7376. You would make that apply to all classes of boots ?—Yes.

7377. We have had evidence given before us that there are certain classes of boots which are not made in this country, and not likely to be made, and that this special rate comes heavily in regard to these—such as the canvas and rubber shoes, and other articles which may suggest themselves to your mind ?—Yes.

7378. Do you not see your proposed duties would be very hard on the people buying those, without promoting the industry in this country ?—We maintain that, with these increased duties, factories will extend and people will put their extra capital into the business, and so produce a cheaper grade of boots in much larger quantity, therefore being better able to compete with the imported article.

7379. You say factories will extend, but at the present time none of the articles I specially mention are being made in this country ?—Canvas shoes are being made.

7380. Where ?—We make them.

7381. Do you make the canvas in this country ?—No.

7382. You mean canvas shoes with leather soles ?—Yes.

7383. You import the canvas upper ready-made ?—No, the canvas itself, and cut it up here. Of course we cannot procure canvas made in the country.

7384. What about rubber shoes ?—Those we do not make.

7385. Is there not another very cheap class of slipper made of some cloth material for both the sole and upper ?—Yes. Those we do not make; those must be made in very large quantities.

7386. We saw a slipper at Port Elizabeth called the "shilling slipper." You propose to put 2s. a pair on those ?—Of course it would enable other factories to start in this Colony.

7387. There are no factories making those things ?—There is no inducement for them to make them as things are at the present time.

7388. You seriously advocate putting a duty of 2s. on articles like that ?—That is a very extreme instance of course.

7389. Do you advise a duty of 2s. to be put on goods of that class ?—As regards the very cheapest slipper it does not seem quite correct.

7390. You think an exception should be made in those cases ?—I should think an exception might be made with those.

7391. What about rubber shoes ?—In my opinion they are apart from the leather industry.

7392. Would you advise the 2s. minimum duty being applied to them ?—No.

7393. You would recommend their exception ?—I would.

7394. Are you affected at all by the preferential railway rates ?—I do not think we are very much, but I am not so competent to speak on that as our firm at Wellington will be.

7395. Do they pay the carriage on the goods ?—Yes.

7396. You have not entered into that phase of the question ?—No.

7397. *Mr. Kayser.*] You ask for an increased duty of, roughly, 18 per cent. Why do you ask for this extra duty ? You are already doing business in Kimberley under the present duty ?—Yes.

7398. Why do you ask for the increased duty ?—So that it would enable us to commence making the better class of goods.

7399. Cannot you make them to-day ?—I do not say we cannot, but you will understand this better class of goods require very much more elaborate machinery and much more skilled labour to make than the cheaper class.

7400. Cannot you make them at the price at which they are sold to-day ?—No. We want extra protection so that we can put more capital into the business to procure the expensive machinery which is required in the making of the best class of boots ; and also we should have to import skilled labour to produce this better class of goods. Until we get the protection needed to warrant this expenditure of course we shall not start.

7401. Can you compete to-day on an equal footing on the lines you are selling ?—As regards the retail store which I am in in Kimberley, we sell a fair amount of our lines being Colonial made, but they do not in any way clash with the better class of stuff that is imported.

7402. But they clash with some imported stuff, do they not ?—Of course, there is some imported stuff that is similar.

7403. You are not selling them at a loss, are you ?—I hope not.

7404. You are not selling them at a loss ?—No.

7405. Why I ask you that question, is that I see you say in this letter you have sent, " The increased protection asked for would in no way raise the price of boots" ?—No.

7406. I take it that would apply to your boots ?—Yes.

7407. It would raise the price of the imported article ?—Yes.

7408. And enable you to compete ?—Yes.

7409. Would it not raise the better class goods ?—Yes.

7410. And therefore a man would have to buy yours ?—No ; we would be able to produce the higher class goods better.

7411. But you have said you cannot make them to compete to-day ?—Not to-day.

7412. You would have to charge a higher price to compete. You are asking for 33⅓ per cent. to enable you to make the higher class of boot ?—Yes.

7413. The extra duty would increase the price of that ?—Yes.

7414. And therefore your price would be more than the higher class boot ?—You say you cannot make them to-day because of the price ?—Yes.

7415. And you want the imported article increased ?—Yes.

7416. And then you can compete ?—Yes.

7417. Which means you will have to charge a higher price ?—Yes.

7418. That is the point. The man wearing that higher class boot will have to pay more ?—If we started to make the higher class boot, through being protected, we should not charge an exorbitant price.

7419. But he would have to pay more for it ?—Yes.

7420. You would come into competition with the higher prices, and the consumer would have to pay more ?—Yes ; but, as things are at present, there is no inducement held out to us to make them.

7421. But you want the higher class boots higher in price to enable you to compete ?—Yes.

7422. Is this a limited liability company ?—That I could not say.

7423. Are you one of the directors ?—No.

7424. Nor a partner ?—No.

7425. Do you simply represent them here as an employee ?—Yes.

7426. You are the chief selling man here ?—Yes.

7427. So far as the manufacturing part is concerned you cannot speak ?—No.

7428. I ask you because you said something about the dumping of Australian leather here ?—Yes.

7429. Can you tell me at what price it is sold ?—I am in receipt of information to-day that it is sold in this country at the same price as the Colonial leather.

7430. You are giving evidence for Kimberley ?—Of course I am giving evidence more as regards the manufacture ; my main evidence is as regards the quality of the Colonial leather and the possibility of being able to produce the leather here.

7431. I think the Commission understood you to say that this Australian leather was dumped in Kimberley ?—Yes.

7432. I am asking you the price of Australian leather in Kimberley to-day ?—I was referring not so much to the sale in Kimberley, but the fact of the leather being brought into this country, as regards the manufacture of boots and shoes.

7433. Do you know the price in Kimberley to-day ?—About 1s. 6d., I think. I do not know the exact figure. I am in receipt of information from my chief this morning that the price of Australian and Colonial leather is practically the same.

7434. Have you had instructions regarding this evidence ?—I was asked to appear; that was all.

7435. Have you been instructed as regards the evidence ?—No.

7436. What about this Australian leather ?—I have made up this statement. My main statement I wish to make is as regards the suitability of the Colonial leather.

7437. I am asking you a plain question. You do not know the price of Australian leather ?—Not exactly.

7438. And you do not know whether it is competing with the Colonial in Kimberley ?—The Australian leather being sold is competing with the Colonial.

7439. How do you know that if you do not know the particulars ?—Of course I do not handle the Australian leather myself. My reason for mentioning it is with regard to the manufacture. Perhaps it would have been better to have left that out, and left it for them to mention; they are able and capable of giving you every particular that is required.

7440. Do you know what the cost of manufacture of boots is ?—No.

7441. Do you know the profit you are making on boots ?—No. I have been away from the factory for six or seven years.

7442. Why do you suggest an increased duty if you do not know the cost ?—Because at the present time they say they are not able to compete—in my communication.

7443. I want to know what you know about it, and not what you have been instructed. You are giving evidence for your company so as to speak for Kimberley. On what grounds do you base your request for increased duty ?—So that manufacturers can be supported in this country, to produce what we require.

7444. But are you making any profit to-day ?—Of course I cannot say what profit they are making in any way.

Miscellaneous Industries, &c.:—Chemists, Medicinal, Toilet and other Preparations, Tinctures, &c.

William Gasson, examined.

7445. *Chairman.*] You are a chemist ?—Yes. I put in a written statement. The following statement was handed in :—

PATENT AND PROPRIETARY MEDICINES.

There are 18 or 20 chemists in Kimberley and Beaconsfield, all of whom probably manufacture some proprietary medicines, toilet preparations, etc. The protective duty on imported patent medicines is a stimulant to the preparation of such locally.

Most of the chemists here supply a number of country stores, besides the various institutions of De Beers Company.

PILLS.

The present duty on pills I consider quite sufficient—20s. per lb. Pills of published formulas should come under the ordinary drug tariff. Any chemist can manufacture pills, but the demand is principally for coated pills. This (pill-coating) can only be done economically on the large scale, thus driving it into a few hands. If an excessive duty is placed on these there is a danger that retailers would have to pay an abnormal price which may fall on the public.

Also, these manufacturing chemists are retail chemists, opening branches throughout the country, competing with us not only in supplying the public, but local stores, hospitals, and country trade generally.

SPIRITUOUS PREPARATIONS.

Tinctures, etc., are now principally made in the Colony with Colonial spirit.

Certain standardized preparations, however, are less reliable than those of English manufacture, such as Ergot, Digitalis and Strophanthus. Some practitioners specify these to be of certain makers in order to ensure uniformity.

I am informed that English-made tinctures are imported for Somerset Hospital, Cape Town.

I have met with good samples of Colonial spirit, and am of opinion that it can be prepared suitable for all pharmaceutical purposes, but up to the present I have not found it reliable. The grapy flavour is always present, and I have been informed that it has an undesirable effect on some patients.

For these reasons I am of opinion that the present protective tariff is sufficient. It should not be absolutely prohibitive.

FLUID EXTRACTS.

Glycerine is used in place of Spirit in some imported extracts. It is used as a vehicle or preservative, and in most instances it is to be preferred to spirit, as Liquid Extract of Cascara, Liquorice and Sarsaparilla.

FIXED TARIFF.

A fixed tariff will enable us to make provision for our own manufactures, and prevent speculation on alterations in Customs and railwy rates.

PREFERENTIAL RAILWAY RATES.

(No. 7.) The present preferential railway rate for South African manufactures is unfair to chemists who manufacture here (except in the case of Colonial Spirit, which is made only in the coast district).

Medicine bottles are free of Customs duty, but are charged first class rate for railage.

A chemist at the coast sends his manufactures at South African rates, *including bottles and packages*, for which we pay first class, thus competing on terms very unfair to us.

This might be equalized by reducing the railage on medicine bottles, or charging ordinary rates for Colonial manufactures.

This would be a stimulus to the manufacture of druggists' preparations here, as we should be able to compete on even terms. We are an important distributing centre, but are handicapped in our manufacturing by the railway tariff.

7446. You do not ask for any change in the tariff?—We are satisfied with the present tariff.

7447. Do you want an alteration in the railway carriage?—In the railway rates, yes. At the present time we have to pay carriage on medicine bottles at first class rate. They come in free of Customs duty. In manufacturing Colonial goods at the coast, the goods can be manufactured, bottled and sent up here at Colonial rates, whereas here we have to pay the higher rate on the bottles.

7448. Can you give the Commission what difference that is? It must be a very small proportion, I suppose?—The third class rate from Cape Town will be 4s. 9d. per 100 lb., and the first class rate 11s. 11d.

7449. I mean the cost of the railway carriage on the bottles would be very small on the manufactured goods?—In a consignment of goods probably the bottles and package, in the majority of cases, represent the greater part of the weight.

7450. The proportion of the value would be very small?—The proportion of the value would not be great.

7451. That is, the railway rate would affect it to a very small extent?—It would affect it to a considerable extent.

7452. What percentage, taking the average manufacture?—It would be quite fair to reckon the weight of bottles and packages as at least half.

7453. You do not see the point. I am asking what percentage of the value of the manufacture would the railway carriage amount to?—That would be rather difficult to answer, because our goods vary so greatly in value.

7454. Generally speaking, it would be a very small percentage?—Not of colonial manufactured goods, because some of them weigh very heavily.

7455. Can you give any particular instance?—Yes. Take syrups, which are used a good deal for drinking—lemon syrup and things of that description—costing, say, about 12s. a dozen. Now the railway carriage on that—I am taking small quantities—on a case of a dozen would be, roughly, on 50 lb. weight.

7456. And the railway carriage would be what?—5s.

7457. And on a dozen of colonial manufacture?—2s. 6d.

7458. Is the lemon syrup the most extreme thing you can bring?—Yes, as an illustration.

7459. *Mr. Tod.*] I understand you want articles such as bottles to be counted as raw material, and brought up at a rate not in excess of that on the manufactured goods?—Yes. They come in duty free, and we consider they should be brought by rail at third-class rates.

7460. The manufacturer at the coast has an advantage over you?—Yes.

7461. He gets the bottles out the same as you and then gets them up here at a lower rate when they are full?—Yes.

7462. Does the same remark apply to drugs you use in making up? Are they affected by the preferential rates?—No, not imported ones.

7463. You import raw drugs and make them up here?—Yes.

7464. You have to pay a certain rate on them from the coast?—Yes.

7465. The coast manufacturer makes those drugs up, and I understand that they rank as colonial manufactures and come at a lower rate than your raw material?—That is the case.

7466. Are you in favour of that being continued?—If we could get the bottles at the lower rate I should be in favour of it. The bottles are the principal items as far as the chemist is concerned. That is the only point that concerns us.

7467. *Mr. Harlow.*] In reference to this raw spirit which you use, you say the colonial spirit is very satisfactory?—Generally satisfactory, but not for the finer products.

7468. On account of its grapey flavour?—Partly, and partly on account of the aldehyd it contains.

7469. Can you suggest any way of making it more suitable for your purpose?—It is really a thing for the manufacturers. We cannot get a reliable spirit. I believe it is possible to make a better spirit, because we have had samples of good spirits, but we cannot always rely on getting it good.

7470. You would use all colonial spirit if you could rely on its quality ?—Yes, and would prefer to do so.

7471. The fault is in the manufacturing of it ?—Yes.

7472. *Dr. Viljoen.*] Do you make up any patent medicines ?—Proprietary medicines we call them.

7473. What we call Dutch medicines ?—Yes.

7474. Do you sell them wholesale again ?—Yes.

7475. Do you make pills ?—Yes.

7476. Also these proprietary pills ?—Yes.

7477. And can you compete with Cape Town ?—In the matter of pills we are handicapped in this way, that they are prepared more economically on a large scale. The general demand now is for coated pills, and the coating especially can only be done to advantage on a very large scale. For that reason I should suggest the present import tariff is quite sufficient, and that the pills from published formulæ should come in at the ordinary drug rates, otherwise we are unfairly handicapped by a very few manufacturers.

7478. What I mean is this: could you manufacture these medicines enumerated by you, such as the Dutch patent medicines and some of these proprietary medicines—the pills—and compete with the Cape Town price plus the railway carriage ?—In the matter of pills we could not do so, for that reason that where they are manufactured on a large scale the cost of production is less.

7479. It is simply a question of quantity ?—Yes.

7480. *Mr. Kayser.*] Are you correct in stating that empty bottles come at the same rate as ordinary goods ?—Empty medicine bottles.

7481. Are they a different rate to ordinary bottles ?—I believe so. At any rate, medicine bottles come at first class rate railway risk or second class rate at owner's risk.

7482. The railway will not accept your bottles under the ordinary designation of empty bottles ?—Medicine bottles are specified in the tariff.

7483. And you refer particularly to the medicine bottles ?—Yes.

7484. Because I believe other bottles come at a specially low rate ?—They do. That is where the hardship really comes in.

7485. Is the difference quite so much as you state—say on the dozen syrups you quoted ? It is the railway carriage on 50 lb. from where ?—I would not say that is exact, or even near it, because it is a matter I have no means of verifying at the moment, as regards figures. It is an illustration.

7486. The preference to the colonial manufacturer is only 20 per cent. in the railway rate ?—The bottle rate ?

7487. I do not know about the bottle rate, but the preference for the South African manufactured article is 20 per cent. on the rail carriage ; so that it would hardly be the amount you suggest—5s. a dozen as against 2s. 6d.—because that would make it a preference of 50 per cent. ?—The railway rate for South African produce from Cape Town to Kimberley is, I think, 4s. 9d. per 100 lb. We deal with small quantities—small weights, that is.

7488. Are you not taking South African produce where it refers to grain ?—South African manufactures. It is 4s. 9d. as against 11s. 11d. from Cape Town.

7489. Will you oblige us by verifying that, and advising the Commission if it is correct ? As I understand it, the colonial rate should be 11s. 11d. less 20 per cent. ?—The difference in the rate on medicine bottles is really my point.

7490. If you could give us a verification of that, I think it would be more valuable than your bare statement now, because it is certainly a very important matter if it is as you suggest ?—The point is that other bottles come at a lower rate than medicine bottles.

7491. Medicine bottles travel at a higher rate than medicinal preparations ?—Not medicinal preparations.

7492. *Chairman.*] Are you not contradicting yourself in your evidence, because you cannot call lemon syrup bottles medicine bottles ?—I am giving that as an illustration, and am not binding myself to that particular thing.

7493. Then your statement you made before was wrong ; you made a difference of 2s. 6d. a dozen in lemon syrups ?—I used that merely as an illustration.

7494. The lemon syrup bottles would not come as medicine bottles ?—Not necessarily that particular thing.

7495. *Mr. Scott.*] Are you in favour of preferential rates on the railway ?—For colonial produce.

7496. Manufactured goods ?—In the case of spirits of wine, which is our principal thing, I should be.

7497. Supposing the preferential rates were abolished, how would that affect the bottles as against the coast manufacture?—There are special rates for bottles now, I think, and the essential point about it is that the other bottles come at low rates whereas ours come at first class rate.

7498. That is your empty bottles, but supposing the preferential rates were abolished would you then be on the same footing as the coast manufacturer?—I think so. It is rather a wide question to answer offhand.

7499. But you are in favour of the principle of preferential rates to colonial manufactured goods?—Only as far as spirits of wine is concerned. That is the thing that concerns us.

7500. Only that article of your consumption?—Yes. Then again if there were no preferential rates, as I said, we should not need this reduction on the bottle tariff.

7501. If the preferential rate is continued you want a preferential rate on empty bottles?—Yes.

7502. *Mr. Tod.*] You have told the Commission the rate on medicine bottles is 11s. 11d.?—Yes.

7503. What I want to get from you is this: supposing these were filled with drugs at the coast, what rate would they pay to Kimberley?—If filled with colonial manufactured drugs?

7504. Yes. Would they come at the 4s. 9d. rate?—I believe that is the case, but will not be absolutely certain. It is about that. I will be pleased to go into it, and let you know.

Witness subsequently handed in the following letter:—

Kimberley, 26th November, 1907.

Sir,—In response to your request for further particulars concerning railway rates on medicine bottles, I beg to submit the following to your notice:—

Fruit syrups and cordials of South African manufacture are rated third class: 4s. 9d. per 100 lbs., Cape Town to Kimberley.

Curry powder, another article largely made by chemists, and put up for retail in wide mouthed bottles classed as medicine bottles, is also at same rate.

Other South African manufactures are classed under 2*b*, or 20 per cent. off second class rate; 8s. 8d. per 100 lbs.

Our proprietaries are put up in medicine bottles which come at first class, 11s. 11d.; railway risk or second class, 10s. 10d. (owner's risk).

The cost of bottles is therefore a great drawback in putting our proprietaries on the market.

Every medicine bottle used represents skilled labour employed; they are admitted free of customs duty, and in fairness to inland manufacturers should be rated as other bottles, third class.

I am, Sir, faithfully yours,
W. GASSON.

The Chairman,
Customs Tariff Commission.

WORCESTER, 28th November, 1907.

PRESENT:

GEORGE WHITAKER, ESQ. (Chairman).

C. F. Kayser, Esq.	G. A. Scott, Esq.
C. E. Tod, Esq.	T. Harlow, Esq.
Dr. A. G. Viljoen.	

G. Owen-Smith (Secretary and Customs Adviser).

Agriculture and Horticulture and other Farming Industries.

Jacobus Petrus Malan, Miller and Produce Merchant and President of the Worcester Chamber of Commerce, examined on Agriculture and Railway Rates.

7505. *Chairman.*] What do you wish to give evidence on?—Chiefly on the question of preferential railway rates on South African produce, the question of the payment of bounties on products and manufactures, and the question of the amount of imported raw material that should be allowed in the manufactured goods claiming preferential treatment as South African manufactures.

7506. Will you state the points you wish to bring before the Commission?—Personally, being president of the local Chamber of Commerce, we have always taken up the position that preferential railway rates should be done away with —from a broad, commercial standpoint. However, if we take our circumstances in the Western Province into consideration, I think some material alteration will have to take place before we can favour the taking away of preference on Colonial produce. As we are situated 500 or 1,000 miles from the markets inland, even if the Customs Tariff should be altered to give the farmers higher protection, it is a question whether the railway rates from the various ports could be made so as to suit the farmers—so that we would be able to compete. Speaking of the question of giving protection and bounties on products and manufactures, we have experienced very great difficulty in dealing with South African produce. I am chiefly referring to the question of the milling of oats. Some two years ago I went to Australia to investigate the question of making compressed fodder in this country. We have imported a plant at considerable expenditure, and have erected that plant in the heart of the grain-producing centre—that is the Malmesbury District—and we find, even with the existing duties, that it is very difficult for us to compete in manufacturing this article. The question of growing oats in the Western Province has been so successful that we fear there will be an enormous over production, and that the Government will have to take steps to give every facility in their power to foster the industry, for instance the manufacturing of compressed fodder, so as to be able to get facilities, or a bonus of some sort, to try to get this exported to the London market. At present it is an entire question of price as to finding an outlet for our oats and oathay which is grown in the Western Province. We realise the situation; we know for certain that we are going to lose the Northern markets—for this reason, that mealies are grown in the Transvaal, Orange River Colony and Natal to such an extent that they have gone in for exportation, and if a bag of oats from the Western Province costs 5s. for 150 lbs. for railage to place on the Johannesburg market how can we compete with mealies sold there for 4s. per 100 lbs.? Geographically, we are situated in such a way that unless a market oversea is found for our oats and oathay, which are produced to an enormous extent in the Western Province, I feel we will get into a very serious position, and the outlook is a very poor one. I want chiefly to bring before the Commission the fact of how we are handicapped in various ways. It is necessary in making compressed fodder for export, and also sending it out into the country, that bran should be added to it. The moment even 5 per cent. or 10 per cent. of bran is added to 100 lbs. of Colonial oathay that is not carried over the railways as South African, but as imported, because you cannot sign a certificate to the effect that this article is wholly manufactured from South African produce. There is 10 or 15 per cent. of bran in that compressed fodder, and the railway charge for that at the imported rate. Then 10 per cent. handicaps 90 per cent. of the Colonial article in going up by rail to the markets. That, I think, is a point which requires serious consideration. People ask, Why not put Colonial bran in the Colonial fodder? For this simple reason, that the quantity of wheat produced in this country up to the present moment is so small compared with the enormous demand that we cannot possibly get the article to put it in, and have to fall back on the imported bran. The question is, what proportion of the imported raw material should be allowed in manufactured goods claiming preferential treatment as South African manufacture?—I should say 25 per cent. would meet the case, if not more than 25 per cent. of imported produce were put in. Leaving fodder, we go to the question of wheat. We have of late, through rust in the country, lost our good varieties of white wheat which we were growing some years ago, which were of great consideration in making good flour and meal. Rust has destroyed the white wheats, and we are growing in the Western Province nothing but hard or rust-resisting wheats, which have been imported, but they are all of a dark colour. It is a matter of impossibility for a miller to give satisfaction in manufacturing meal or flour from a pure South African-grown wheat; that is to say, the article that we have in the country at the present moment. By that I do not want to infer that there are not certain little spots somewhere in the Colony where you may get a small quantity of wheat which will give good flour and meal; I am speaking of the bulk of the wheat grown in the country at the present moment—with which the miller cannot give satisfaction to the consumer. Until such time as the Government imports into the country rust-resisting wheat, we think preference should be given with, say, 25 per cent. of white imported wheat mixed into the dark Colonial wheat, so as to be able to make it an article fit for consumption, or rather, let me say, in order to create a better price for the Colonial article. At present it is only the people in Rhodesia and the compounds in Kimberley, and those places, who will look at purely Colonial meal. The moment civilisation sets in a man wants a white loaf of bread; and in trying to foster the wheat industry in this country something must be done to give a better outlet for this wheat, until such time as we have succeeded in again importing rust-resisting seed into this country to produce a white wheat. With regard to the question as to whether the industrial interests could be promoted by other instruments than by the Customs Tariff, I do not see that something could not be done in promoting the industries of the country by giving special facilities, not as far as the Customs Tariff goes, but in our own State. What I mean is, supposing there is no crop in the Eastern Province—at the present moment I believe their crops are rather poor as far as oats and oathay go—and there is an abundant crop in the Western Province; in sending it round at the present moment the farmer would get about 2s. per 100 lbs. for his oathay, which would be the market price in the Malmesbury District. Now, carrying that to Port Elizabeth or East London by rail would mean it would have to pay 3s. or 3s. 3d., and in some cases even more, in railage. The farmer will get 40 per cent., say, while the carriage alone would eat up 60 per cent. of the value by when it reached the consumer, which I think is an unhealthy state of affairs. That is purely as far as the Cape Colony is concerned—that something must be done to get a freer interchange of the Colonial produce from one part of the country to another, even if the produce is carried at a loss. That is all I wish to say.

7507. *Dr. Viljoen.*] You are a very large miller and dealer in produce?—Fairly.

7508. You say, as a Chamber, you are in favour of the abolition of the preference on the railway?—That is the view we have always taken, generally speaking, from a commercial point of view.

7509. In your experience, have these preferences given rise to any fraud?—Yes, without doubt.

7510. Are you prepared to tell the Commission if that fraud is still continuing?—I think it is still.

7511. You know the Colonial produce, such as oats, barley, wheat and fodder, has a protection of 2s. per 100 lbs. at the coast?—Yes.

7512. I am leaving wheat alone. Do you think if the preference on the railways were taken away, the present protection at the port would be sufficient?—No.

7513. In the case of abolition of the preference on the railways, would you advocate building up the protection at the port to the equivalent of the amount of the loss ?—Yes, I would.

7514. The compressed fodder you are making at present has no preference on the railways ?—If Colonial bran is added to it, yes.

7515. But there is an insufficiency of Colonial bran ?—Yes.

7516. And the moment you add the imported bran it comes as an imported article, and has to pay the 1¼d. per ton per mile rate, instead of ¾d. ?—That is correct.

7517. You consider that is a distinct grievance ?—Yes, because 10 per cent. of the article is imported 90 per cent. of the Colonial article has to pay the imported rate.

7518. If it is not a secret, what is the average percentage of bran added to a hundred pounds of compressed fodder ?—From 10 to 12½ per cent.

7519. So anything within the scope of 25 per cent. would cover that, and make it a Colonial product ?—Yes.

7520. What is the quality of the compressed Colonial fodder compared with the compressed fodder we noticed here about the period of the war ?—The South African fodder is considered to be better in every sense.

7521. Have you sent any of this fodder to the European market ?—Yes.

7522. Was the result satisfactory ?—Not yet.

7523. Supposing, through our geographical position, we gradually lost the Northern markets, would the present production of the Western Province be too much for our local markets ?—Yes.

7524. We should have to look outside South Africa for markets ?—Yes.

7525. Can you suggest to the Commission any means by which the Government could foster the manufacture of this article ?—The Government could give a bonus, I would say. Before answering that question, I would like to say with regard to the fodder so far exported to the European markets, as to whether it has given satisfaction, the main thing is this, that we must make a heavier fodder—that is to say, we must add more grain to the fodder we are making—because in London, where it is chiefly being tried, the heavy work of the horses, in buses and so on, requires that they get a larger percentage of grain in their fodder. If that is done, we can make the finest fodder that could be produced in any part of the world, and supply the London market with the exact thing they want. But now comes the question of price. If there is more grain put into the fodder, the article will consequently go up in value. We can give them a heavier food at present, but the price will not fit in. You have asked me what we could suggest to foster this industry. I say the Government could take steps whereby the article could be carried to the port at a very low rate, the Government, if necessary, even standing part of the freight, because the whole of the Western Province is absolutely dependent on this industry being kept alive—the growing of oats in these parts. With cheap freight to London, and as we have a Trades Commissioner there, I do not think there would be any difficulty in placing the stuff on the market.

7526. Would you advocate that the railage on the Colonial production to the seaport for exportation be of a mere nominal nature ?—Yes.

7527. Would you confine that to compressed fodder ?—I would apply it to every bit of Colonial produce for export.

7528. You mean a rate much less than the present rate ?—Yes.

7529. What is the regulation now with reference to sending oathay, say, from here to the Eastern Province ; is it bound up in the fixed railway tariff ?—Yes.

7530. Has the Colonial Government the right to alter that railway tariff ?—They have done so in the past.

7531. Has the Cape Government the right to alter the rate from here to Port Elizabeth on Colonial fodder ?—Yes, in Cape Colony they have the power.

7532. They need not appeal to the other contracting parties ?—No.

7533. They have the inherent right of doing so ?—Yes. The rate for oathay to Kimberley, for instance, has gone up ; the Government has added something like 50 per cent.—raising it from ½d. to ¾d.—which simply makes it that the farmer gets 40 per cent. of what the article realises in the consuming country, and the Government gets 60 per cent. for carrying it there.

7534. Could you compete in the Kimberley market against the oathay produced in the Orange River Colony ?—Yes.

7535. Do you deal in potatoes ?—We practically do not touch them.

7536. Your principal things are fodder, oathay, lucerne, oats, and stuff like that ?—Yes.

7537. Do you know that oats have been exported from here within the last month or so ?—Yes.

7538. Is that a healthy sign ?—Very healthy ; I think it is the silver lining to the cloud of depression.

7539. Could the Government assist in the exportation of oats oversea ?—I would apply the same suggestion as in dealing with fodder.

7540. Do you deal largely in wheat ?—Yes.

7541. Has the production of wheat in the Western Province decreased or increased ?—It is on the decrease.

7542. Can you assign any particular reason for this ?—Chiefly the price that the farmers were getting for wheat compared with the price they were getting for oats ; the one thing gave them a better return than the other.

7543. Is the Customs protection at the port on wheat equivalent to that on oats ?—No ; it is less.

7544. Would you advise the increase of this protection at the port ?—Yes.

7545. It has been suggested—and I think you ought to be able to give us very good advice on the practicability of this—that it might be possible to devise some means by which you could keep the price of the Colonial-grown wheat at a fixed standard. By that I am supposing that we were to put a duty on wheat at the port, so that should the importation be so large as to decrease the price of the wheat the duty would bring it up to that level. Supposing you fixed the level at 18s., could you regulate that ? Is it practicable ?—I do not think it is practicable. The market fluctuates, and although wheat is an article that does not fluctuate very much, still it fluctuates a good bit, and this sliding scale would have to be altered as the market went up. You could say that the fair average price of wheat for the last 25 years has been so much, and put on a duty accordingly, and then give to the farmer what you considered he ought to get for producing wheat in this country, and I think you would arrive fairly correctly at the same object you have in view.

7546. You assign as one of the reasons for the decrease of the production of wheat in the Western Province the price ?—The better price they were getting for oats as compared with wheat ; and also rust has played a great part in the decrease of the wheat production.

7547. Do you see any immediate prospect of increasing the production of wheat here, or can you suggest any means by which the production of wheat could be increased in the Western Province—or in the whole of the Cape Colony ?—I think, taking the natural supply and demand into consideration, that it will take effect almost immediately in the coming season. If the price of oats comes down to a price for us to be able to export, and the price of wheat has gone up in the intermediate stage, more wheat will immediately be put into the ground—as the natural result of circumstances.

7548. Do you know whether any rust-resisting wheat has been sown lately ?—Small bits here and there.

7549. Have you had any experience of its production ?—No.

7550. Do you know the Glewas wheat that has been put in ?—No.

7551. Did I understand you to say that the meal from Colonial wheat must have an addition to it of imported meal ?—It is not a *must*, but it makes the article infinitely better, and would increase the demand for Colonial wheat. Supposing you put 25 per cent. of the imported into the Colonial, it will then get a whiter colour and give better satisfaction, and the sale of that article will get better. Colonial meal and flour manufactured purely from Colonial wheat has only got a limited sale, on account of its quality. I want to make this remark, that even in the wheat-growing area of the Western Province very little of the actual consumption of meal taking place is of the Colonial article pure and simple ; the greater part of it is imported, because it is whiter, and they want a white bread. In Cape Town the percentage of Colonial wheat consumed is practically nil ; it is all imported.

7552. What duty on wheat would you consider satisfactory, so as to keep the price more or less constant ?—I think if something was done to get the farmer about 17s. 6d. a bag in this country it would pay him well to grow wheat.

7553. You would fix that as the standard price of wheat ?—Yes.

7554. What duty would be necessary to ensure that ?—Taking the average price of wheat for the last 25 years, and taking into consideration the ruling freight for the last 25 years, add a duty to make it 17s. 6d. or 18s.

7555. You could not suggest it in round figures ?—I should say anything from 3s. to 4s. a bag would do that—1s. 6d. to 2s. per hundred pounds ; that is taking the price of wheat for the last 17 or 18 years.

7556. That 4s. per bag would practically give the wheat the same protection as you give oats, barley and rye ?—Yes.

7557. And you would advocate that ?—Yes.

7558. Do you think the addition of a little duty like that would increase the cost of the loaf ?—It could not increase the cost of the loaf.

7559. I am not talking of buying a bag ; I am talking of the poor man buying from the baker. He will not have to pay anything more for his bread ?—I have no doubt about it. Whether meal is 1s. or 2s. a bag cheaper or dearer makes no difference to the loaf of the poor man.

7560. It would make a difference in the price of a bag of meal ?—Yes.

7561. But not in the loaf ?—No.

7562. Do you make oatmeal ?—No.

7563. Are you aware that it is being made here ?—Yes.

7564. Do you contemplate making it ?—Yes.

7565. Do you know that Colonial oatmeal—that is oatmeal made in the Colony from Colonial oats—is at present penalised on the railways ?—I have heard that.

7566. I will put it in this way, that if the oatmeal is put in a tin or a box it has to pay the rate of the imported article ?—That I did not know.

7567. That is what I heard. What do you mean by its being penalised on the railways ?—By sending in small quantities. Unless it is sent in ton lots a man would have to pay the third-class rate.

7568. Colonial oatmeal in small quantities should be carried on the railway at the same price as big quantities ?—Yes—at the Colonial produce rate. I may point out that that is the same thing that applies in regard to fodder. No man buying ten, twenty or thirty bales of compressed fodder can get it anywhere by rail at the Colonial rate ; he must take a truck which contains four-ninths of its carrying capacity. That is a great injustice.

7569. Let us take a truck of 18,000 lbs. If he does not carry 8,000 lbs. of compressed fodder in that truck he has to pay for 8,000 lbs. ?—He has to pay a different rate, and that amounts to the same thing; it is always levelled up to four-ninths.

7570. Both the consumer and producer are placed at a disadvantage ?—Considerably.

7571. What do you suggest should be done there ?—That the Government should foster Colonial produce by carrying anything from, say half-a-ton up to any quantity at a certain fixed rate. It is not nearly every man will buy 18,000 lbs. or 20,000 lbs. of compressed fodder. Consequently he does not give you an order for it.

7572. Would you apply that to oathay ?—Yes. Oathay is bulky. When it is hydraulically pressed, give it the same facilities.

7573. When Colonial oatmeal is sent in tins on the Cape railways would you recommend that it should be carried at the Colonial produce rate ?—Yes.

7574. Even although it is one tin ?—Yes ; it is the only thing to bring it before the public.

7575. *Mr. Harlow.*] You said you did not agree with the preferential railway rates. You wish them to be abolished ?—I said from a commercial point of view we always take up the attitude that differential railway rates should be abolished and the protection required by the farmer should be given at the port.

7576. If you take away the preferential railway rate you will not have a Colonial produce rate ?—No.

7577. How will it affect the protection of the farmer ?—The difficulty arises there. As I have remarked before, our geographical situation will make that difficult.

7578. You make a further suggestion to farmers' produce being carried to other parts of the Colony ; I believe you said even if they carried it at a loss ?—Yes.

7579. Were you serious in that ?—Very.

7580. From what source shall we receive revenue to run the railways ?—What becomes of the industry in one part of the country ? Supposing we have no outlet for stuff grown in the West, and there is a shortfall in the East of that stuff, or *vice versa*, it does not matter if there is a shortfall as far as the traffic is concerned, because we uphold the market for the stuff at the other part, where it is short.

7581. You said you would suggest a further rise of duty of from 6d. to 1s. per hundred pounds on wheat. It is 1s. per hundred pounds now ?—Yes.

7582. In face of that you have admitted that you cannot possibly produce it in the Colony to supply the demand ?—I said that at present we are not producing anything like enough for our requirements.

7583. Do you think there is any possibility of doing it ?—I think so, gradually.

7584. Would not a bounty to the farmer on his production of wheat meet it better than a bigger duty at the coast ?—It might come to the same thing.

7585. You said it would not raise the cost of the loaf ?—Yes.

7586. Those living in town know that the least rise in wheat naturally comes on to the working man. Take just recently ?—There has been a rise of 30 per cent.

7587. You want to raise it another 50 per cent. ?—On the duty, yes, but not on the price of the loaf.

7588. You say the Colonial wheat at present grown does not produce the white flour. Do you think you will be able to produce a wheat which will give white flour ?—Yes. We may get rust-resisting wheats in the country. We have produced it already in previous years, but we have gone out of the varieties. I think there is nothing to prevent us—as we have imported rust-resisting oats—from importing a white, rust-resisting wheat.

7589. Do you pay a very high freight on oats for oversea ?—I think it has been reduced to meet circumstances.

7590. Would you advise reduction of those freights ?—It depends on how the London market remains.

7591. Do you think it will have a tendency to send all the produce out of the country ?—We are only sending away the surplus.

7592. In reference to the first term of reference, have you any difficulty in getting labour for agricultural purposes here ?—Not to my knowledge.

7593. You think there is a good supply ?—Yes.

7594. In the event of your suggestions being acceded to, do you think that eventually you could manage without those duties—say in a few years time ?—That must remain an open question. Circumstances alter. It is difficult to answer that.

7595. As the production increases ?—So many things have to be taken into consideration. The labour market may go against you.

7596. You do not think that could be taken into consideration ?—I do not think so.

7597. You do not think it will be any detriment to the consumer, in any shape or form, if you raise the rates ?—No.

7598. *Mr. Scott.*] With reference to the preferential railway rates, I think you said you gave the views of the Chamber of Commerce with reference to their abolition ?—Yes.

7599. Would you have any objection to giving your private opinion as a manufacturer ? I am not sure if you did that ?—I think, personally, as the Customs Tariff stands at present, we cannot do without them.

7600. You, as a manufacturer, could not ?—No, or we should have to buy the Colonial article at so much less.

7601. Of course the same thing applies to the other manufacturers at the coast ? that there is a strong desire to knock off that preference ?—Yes.

7602. With regard to rust-resisting seed for wheat, has private enterprise done anything in that direction ?—I believe a little, but not much. I might mention that the Government in Australia is doing a great deal in this particular line. In practically every Colony they are keeping an expert to find out and produce the wheat. They make the wheats in passing the dust from one ear to another, thus making wheats for rust-resisting purposes.

7603. Do you suggest that such an expert might be beneficial to our Colony ?—Yes.

7604. Is there much lucerne grown in this district ?—Not very much.

7605. Is it likely to be grown ?—Yes ; it is being grown now, and is steadily increasing.

7606. Can you say what effect that would have in regard to the rearing of stock ?—A very wholesome effect, I think. It will produce a better breed of cattle and more of them.

7607. We would have better hides for tanning ?—Yes.

7608. And an increased output of butter, cheese and so on ?—Yes.

7609. With regard to shipping and bonuses, supposing the Government were to assist in the freight for the export of your over-production, would you be in favour of that form of fostering the industry rather than bounties or bonuses ?—Yes.

7610. *Mr. Kayser.*] In answer to Dr. Viljoen, you gave your reasons for the decrease in the production of wheat—that the price had decreased—and then you followed that a little later on by saying you believed if the price of oats decreased there would be a further growing of wheat ?—Yes.

7611. So, naturally, the farmer would grow what paid him best, just as we, as commercial men, import what pays us best ?—Yes.

7612. And, therefore, it is perhaps hardly correct to say the decrease was owing to the price, but rather, in other words, that the ground could be used to better service ; that is really the reply, I suppose ? They could make more by growing other stuff ?—Oats ; the price for oats, in comparison with wheat, was better.

7613. What struck me in your evidence was that you appealed to the Commission to do something to further the production of oats, by giving assistance in freights, and so on ?—Yes.

7614. Would it not really be defeating our object ? We want to encourage the growing of wheat, which is an article of food, and which is mostly imported into this country ?—It is this year and perhaps the last year and the coming season that we would be able to export oats. The farmer has only a certain limited acreage that he can put under cultivation in the Western Province, and he will always grow the thing paying him best. I certainly think it would be better for the Colony to foster the growing of wheat rather than oats.

7615. If they were not assisted to export oats they might grow wheat. I mean that when they have an over-production of oats, the Government should meet them. As we cannot get to the Orange River Colony and the Transvaal, mealies being so cheap there, let the Government assist in getting the thing exported.

7616. As a matter of fact, is not the Government assisting this by reduced rates to the coast ?—No, I think only the Harbour Board and the shipping companies.

7617. A very large reduction has been made for the export of mealies ?—Yes.

7618. You think, naturally, that the same facilities should apply to all South African produce which can be exported ?—Yes.

7619. You advise a higher duty on wheat of 6d. to 1s. per 100 lbs. I suppose in giving that advice you contemplate the present protection in railage being done away with ?—To make that point quite clear, I am only in favour of the consumer in South Africa paying from 17s. 6d. to 18s. for a bag of wheat, and I think the farmer does not require more protection than that. In what shape or form he gets it does not matter. I think the duty should be increased ; taking the average price of wheat for the last 25 years and taking the freight that has been ruling, you would find 2s. would not bring the wheat to an average of 17s. 6d., but it will stand below that. For that reason I say increase the duty, so as to encourage the farmer to grow wheat in South Africa, and 17s. 6d. will be about the price paid for a bag of wheat. That would pay the farmer, and it would be a reasonable price for the consumer.

7620. You are aware to-day the railway rate on wheat is less than on oats ? As a matter of fact it is ½d. per ton per mile ?—Yes.

7621. Who gets the benefit of that reduced railage ?—If it was not for the benefit the farmer has got on the railage he would practically be unable to sell that wheat, because the quality is not of such a nature that the people at the coast will take it ; it is too dark.

7622. Is it not a fact that a higher price is asked for the Colonial-grown wheat at the coast ?—Because of the enormous preference it gets on the line.

7623. It is a fact that a higher price is asked for Colonial wheat ?—Yes.

7624. Is not that the reason why the man at the coast uses imported meal ?—Taking it all round, the Colonial wheat is never worth more than the imported at the coast.

7625. You said that even the farmers in wheat-growing districts use imported wheat ?—Yes. That is only on account of quality. They do not look at the six or 9d. more per bag. It is only that the one makes a white and the other a dark loaf.

7626. In regard to your suggestion to allow 25 per cent. of imported wheat being mixed with 75 per cent. of Colonial, would not that make it an easy matter to continue the fraud, which we know has existed in the past ?—I think it would lessen it, for the simple reason that the wheat has a different outlet ; it could always be used in one shape or another. If the manufacturer has to make a purely Colonial article, it is only saleable in a certain area of the Colony.

7627. You made an excellent case for compressed fodder, where you said the 10 per cent. of bran necessitated paying a higher rate, and it appeared to me you suggested a rather large percentage. You ask for 25 per cent. ?—I think that is rather a big percentage.

7628. You think that might be lessened, and it would still help to foster the industry ?—Yes.

7629. It is absolutely impossible to get the Colonial bran ?—No.

7630. Is there not sufficient bran made from Colonial wheat ?—There is sufficient made for the object, but there are three or four fodder companies at present existing in Cape Colony. If they take all the Colonial bran there will be none to go inland to Rhodesia and those places. If a man has to buy a bag in Bulawayo it will cost him a sovereign more.

7631. Take Kimberley, as being a market we always think of. Were you not wrong in saying 4d. a hundred pounds on oats ?—I spoke of Johannesburg—5s. a bag.

7632. You talked of 40 per cent. going to the farmer ?—In Kimberley, the rate on forage will only be about 1s. 9d.

7633. I make it 40s. a ton ?—About that.

7634. It is 647 miles from Cape Town, and I make it 40s. a ton ?—Yes.

7635. That is 2s. ?—Yes.

7636. Your percentage would not be right ?—I was speaking of the Eastern Province.

7637. I have taken railage to Port Elizabeth. I reckon that is 837 miles. I make that 52s. 3d. a ton ?—That is just over 2s. 6d.

7638. And the price ruling at Port Elizabeth within the last fortnight was about 6s. 9d. for Cape oats, so that that would leave a good deal more percentage to the farmer ?—Yes. If you take 2s. a farmer gets here, and 2s. 6d. carriage to Port Elizabeth, there is still a difference of 55 per cent.

7639. Taking the carriage at 2s. 9d., to cover all charges, that leaves 4s. out of the 6s. 9d. ?—At present you cannot sell at that. The dealer here can scarcely afford to pay 2s. in the Malmesbury Division and then press it, send it to Port Elizabeth and sell at a profit. There is practically no market. The 6s. 9d. you mention is for new stuff.

7640. As a matter of fact, the Western Province farmer will have to wait until the Eastern Province crop has been exhausted, and then he will come in ?—Yes.

7641. You made a point of oats *versus* mealies. As a matter of fact, mealies have always been cheaper than oats, particularly in the Johannesburg market ?—In the Johannesburg market—not always—but practically speaking ; but the contrast has never been so great as in the last two years.

7642. What would be your idea in regard to the railage to the coast for export ? —A nominal charge only should be made.

7643. Practically to cover charges, without any question of allowance for the running of the railways ?—A nominal charge for everything South African that is exported.

7644. A nominal charge for the actual cost to the railways of handling the goods ?—Yes.

7645. What does imported oatmeal pay to-day ?—I am not quite sure ; I think it is second-class rate.

7646. And that in small quantities is charged at third class ?—Yes.

7647. So there is already a great deal of protection for the Colonial article in small quantities ?—Yes.

7648. I must say frankly that I do not see how any railway, to be worked commercially, could accept small quantities at the same rate as large quantities. Do you not think you are asking a little too much ?—I say what you want is to foster the Colonial industries, and you must sometimes do that for which you have to sacrifice principle—which you cannot apply on a commercial basis. The rate which actually gives the Colonial article the preference cannot be used, because no one at Beaufort West, for instance, will buy a truck-load of stuff. At Maraisburg or Malmesbury a man will not buy a truck-load of oatmeal.

7649. Is not the article of good quality ?—Yes, but there is no object in buying such large quantities. With the imported rate it does not apply like that. To get the benefit with the Colonial article you have to take a large quantity.

7650. Still, I am pointing out you get a benefit for the Colonial now, and if the article is anything like equal to the imported it should be preferred. Granted that the article is equal in quality, or very nearly as good as the imported, is it not reasonable to expect that some people would buy if there is a benefit in the railage ? —I think so.

7651. It is only a question of the storekeeper stocking it, is it not ?—To a great extent.

7652. If it is equal in quality, does it not appeal to you that you already have quite a reasonable protection ? Do you disagree with that ?—No ; you have protection, but it is not enough.

7653. *Mr. Tod.*] Assuming that the differential railway rates are done away with, are you prepared to tell the Commission what additional duty you think you should have on wheat at the port to equalise that ? At present it is 1s. per 100 lbs. ? —My contention is that as long as the farmer gets in this country from 17s. 6d. to 18s. for his wheat he should be satisfied.

7654. Is he not getting more than that just now ?—At the present moment, yes.

7655. At present, without any duty, he would be all right, because the price is so high ?—Yes. This is exceptional ; we have had a boom in wheat all over the world.

7656. Would you recommend that we have a sliding scale in regard to the duties ; that is, when wheat is landed at the port at a certain price the duty should be increased in order to keep the price of the imported wheat up to, say, 18s. a bag at Cape Town ?—I have previously replied that I do not think the sliding scale would work. I prefer a fixed duty, based on the average price for so many years.

7657. What would you think would be the necessary duty ?—I have remarked that, taking these figures into consideration, 1s. 6d. or 2s. per 100 lbs. would bring the price of wheat up to 17s. 6d. or 18s. a bag.

7658. Now, with regard to the compressed fodder, what do you put in ?—It consists only of bran, oats and oathay.

7659. No mealies ?—Not at the present moment, unless it is specially ordered.

7660. Have you to compete against the imported article ?—Yes, but that does not affect us very much. With the protection we have at the present moment at the port for the inter-Colonial consumption we can fairly compete.

7661. That is with the advantage of the differential railway rate ?—And the duty under the Customs Tariff.

7662. I understood you to say you do not get the advantage of the differential railway rate ?—That is only when we run out of the Colonial bran.

7663. What is the protective duty per 100 lbs. on the articles ?—2s.

7664. Is that sufficient if the preferential railway rates are done away with ? —It would not be. They would be able to get compressed fodder from Delagoa Bay on to the Johannesburg market for about 33 per cent. of what it will cost to send it from the Western Province.

7665. How would it be at the Cape Town market ?—That would be all right; we can hold our own ; it is only inland where we should suffer.

7666. Kimberley ?—We could hardly do so there ; it would be about a question from De Aar to Kimberley. If the imported article is put on at Port Eliabeth and it pays 2s. duty, and it is consigned to Kimberley say, if there were no preferential railway rate the Western Province stuff might be just a little dearer than the imported. Of course, at Cape Town we are all right ; the protection there is ample.

7667. I gathered that you are in favour of the differential railway rates being done away with ?—Yes.

7668. And that seems to be the general feeling in the inland districts ?—Yes.

7669. And whatever protection is to be afforded to the farmer should be through the Customs ?—Yes.

7670. Is it necessary to put an increased duty on compressed fodder if the preferential railway rates are done away with ?—Yes.

7671. How much ?—3s. per 100 lbs. would do it.

7672. Would it not be a high duty ?—It would be almost prohibitive. It should not be 3s. for the ports, but when it travels by rail for more than 500 miles, or something like that, in order to equalise it.

7673. I suppose the farmer in Australia can land compressed fodder at Port Elizabeth cheaper than you could send it there by rail ?—Yes. They send it to Port Elizabeth from Australia at 10s. a ton, and it will cost you 52s. 9d. by rail according to Mr. Kayser's figures.

7674. Still, you speak of a prospect of doing this on an export basis ?—Yes.

7675. That would almost look as if you are surely able to meet the competition as far as the markets of South Africa are concerned ?—At present the situation in the Western Province is such that we will have a big surplus of that particular article. My remarks chiefly refer to the present state of affairs ruling in the country.

7676. You do not anticipate that that will be the normal condition ?—It is not normal at all.

7677. You are not in favour of a direct bounty on production ?—I am not.

7678. If the Government gave their low railway rates, and arranged for low freight to England, that would be all you would expect ?—Yes, and it would meet the case.

7679. Is there any dairying done in this district ?—Very little ; nothing to speak of.

7680. No cheese-making ? No. You have Mr. Heatlie here, who is a farmer of the district, and he might give more details about that.

7681. In regard to the price paid for Colonial wheat, I suppose you have Western Province wheats that are of equal quality with the imported ?—None to speak of.

7682. Is the worst imported wheat superior to the best Colonial ?—No ; that I will not say.

7683. So there might be occasions on which they are on an equal footing as regards quality ?—There are cases, if you take the very worst wheat imported from America.

7684. Take equal quality imported and Colonial wheats. What difference would be given in favour of the Colonial article, if any ?—Nothing, if it is equal in quality.

7685. It will be the same price ?—Yes.

7686. Therefore the farmer gets no advantage from the preferential railway rates ?—That is only in case he wants to send the stuff away. The farmer gets a price equivalent to the imported price ; for an inferior article he gets a price equal to the best imported.

7687. And for an article of equal quality ?—He will get the same, but they do not produce that quality wheat. I know a man who sent a sample of wheat to France, and it took the first prize there as being the finest sample of wheat. I asked the man what quantity of it he had, and he said, " We grew three bags." The average quality of the Colonial wheat is inferior to the imported. We are growing dark varieties. The farmer always gets a good price for his wheat in comparison with the imported article for the simple reason that the miller buys it because he knows the preferential railway rate is in favour of that article.

7688. And if there were no preferential railway rates ?—He would get about 10 per cent. less.

7689. That would be about 2s. a bag ?—Yes, which is a big thing on wheat. There is 10 or 15 per cent. more flour in the imported article than in what we grow now. That was not always the case ; 17 or 18 years ago we grew some of the best varieties of wheat.

7690. Have you this Riettie wheat ?—Yes, but it does not do well for milling. We have imported Australian wheat of far better quality, and it gives entire satisfaction.

7691. And the wheat was of one even quality ?—Yes. Formerly in this country we had wheat which gave a perfect flour.

7692. Millers say they like to blend the wheats—even the imported ?—That is often for a standard. A miller makes a certain brand, and he does the blending in order always to supply the same article. That brand applies to a certain mixture of wheats. But that is not necessary for a nice loaf of bread.

7693. Of course we have been confining our attention to forage and wheat but I suppose your ideas of protection would extend to agricultural products generally—butter, cheese and everything which could be grown in this country ?—Yes.

7694. What is your view with regard to industrial manufactures ?—They should also be protected.

7695. Have you any industries in this place ?—I believe we have one man making boots, and the milling industry is here. As far as manufacturing goes we have very little in the town of Worcester.

7696. The views you have expressed are fairly representative of the farming community in this district ; that is, that the industries should be protected ?—Yes.

7697. So the farmer is not purely selfish in asking for protection ?—I do not think he is.

7698. Do you think he has thought the matter out ?—Yes.

7699. Even if it means a little increased cost in the articles he requires, he will be prepared to give the protection ?—I am quite sure of it.

7700. *Dr. Viljoen.*] What is the average price of wheat now ?—About 11s. per 100 lbs.

7701. That is 22s. a bag ?—Yes.

7702. Has the price of wheat fluctuated during the last ten years ?—In the last ten years very little, but very much in the last year.

7703. There have been fluctuations ?—Yes.

7704. Of perhaps 2s. or 3s. in a bag ?—Only in the last year ; the fluctuation in the last year has been something abnormal.

7705. I am taking the present high price ?—The fluctuation of wheat, as a rule, does not vary more than 1s. a bag one way or the other ; that is taking the last ten years—with the exception of last year—into consideration.

7706. Has there been any corresponding fluctuation in the price of the loaf, previously ?—No.

7707. That has remained a constant quantity ?—Practically almost the same.

7708. In previous years, when wheat went up 1s. or 1s. 6d. a bag, that meant no difference to the price of the loaf ?—No.

7709. *Mr. Kayser.*] Do you say from your own knowledge that the freight from Australia to Port Elizabeth is 10s. a ton ?—They get it as low as that at certain times of the year. The average freight would be from 20s. to 22s.

7710. Can you say the c.i.f. price of the fodder at Algoa Bay ?—I think at present the market in Australia is high, because of a recent droughty season.

7711. Taking an average of five years ?—I would say about 70s. for the last five years and 2s. duty on to that.

7712. As a matter of fact, the c.i.f. has been something between 3s. and 4s. a hundred pounds ?—Yes.

7713. The duty would make it 6s.?—Yes.

7714. What is the freight from Cape Town to Port Elizabeth ?—You would get it for about 15s.

7715. So you could ship it round for a good deal less than sending it by rail ?—Yes.

7716. So an article like fodder you would naturally send by sea ?—Yes.

7717. Are you aware it is being manufactured in Port Elizabeth ?—Yes.

7718. You could not go into that market till the market was exhausted ?—Yes.

7719. That is very uncertain as a market as far as you are concerned ?—Yes.

7720. Then supposing the railway preferences were abolished, the price up-country would naturally depend on the c.i.f. cost of the article ?—Yes.

7721. Because, the railage being the same, it would be a question of the c.i.f. cost plus duty ?—Yes.

7722. *Chairman.*] What is the average price for wheat they have got here during the last two or three years ?—I should say they got an average of about 16s. 9d. to 17s. for the last three years.

7723. Practically the amount you say they should get ?—Yes.

7724. So it really does not warrant an increase in the duty unless the preferential railway rates are done away with ?—Yes.

7725. Do you think it is practicable to reduce the railway rates on Colonial produce ? Do you not think ¾d. per ton per mile is low enough ?—No. We have been carrying it at ¼d. formerly.

7726. You suggested that special rates should be given ?—Yes.

7727. Do you not think that would cause very great dissatisfaction ? Supposing Port Elizabeth had a very large stock of fodder, and they dumped it here at a very low rate, would there not be great dissatisfaction ?—Special rates should only be given to Colonial produce, and that should be a fixed thing.

7728. You think the ¾d. should be reduced all round ?—Yes. I do not know the exact rate which applies in New South Wales for the carrying of grain at the present moment, but the Government is giving the following facilities to get the stuff to the coast for export. Within a radius of 300 miles from the port of Sydney they will carry wheat at the same price, say at 4d. a bushel, to the coast, giving the farmer what is called a special harvesting rate, which applies only during the harvesting and threshing season of about ninety days—from the beginning of January to the end of March. Wheat might be carried in the same way to the Cape Town port from Malmesbury or wherever the farmer lives. That is to encourage people to grow grain in the interior.

7729. That is your argument ?—Yes.

7730. You admit you expect to lose the Northern markets ?—Yes.

Charles Beeton Heatlie, Farmer, representing Worcester Agricultural Society, examined on Agriculture, etc., and Vinegar:

7731. *Chairman.*] Do you wish to give evidence on the milling industry ?—First of all, I am a farmer. I am also connected with the produce buying and milling industry. I am really a farmer ; I do not carry on a business.

7732. What points do you wish to bring forward in reference to farming ?—We do mixed farming—grains, stock and a little dairying. I have been asked to attend here by the Agricultural Society, and as they would be more or less representative of all the different branches of farming, I should think I ought to touch on everything. I am more or less a wine farmer myself, but I would not confine myself to that.

7733. Do you wish to suggest any alterations to the present Customs Tariff or railway rates ?—I think so. I think several alterations should be made in the Customs Tariff. There are several errors which have crept into the tariff, and which do not concern farmers at all. Take acetic acid. That should be brought to the same level as imported vinegar. On acetic acid the duty is 3s. 3d. a gallon, with a rebate of 3d. One gallon of acetic acid would really make 21 gallons of vinegar. On the imported vinegar it is only 7d. a gallon, with a rebate of 1d., and on the better class of vinegar, which would perhaps be required in the country, it is 1s. 1d. in bottles. I think the duty on acetic acid ought to be raised to the same level as the better class of vinegar, which comes in in bulk or bottles—that is to 7d., or even higher. That would bring it to about 12s. 6d. a gallon for acetic acid instead of 3s. It would put the two articles on the same level with regard to duty. I may also say that acetic acid, from a health point of view, is not considered as good as the better quality of vinegar, which is imported in bulk or in bottles. Then, as we are on that, I would make a further suggestion. This stuff has been travelling over our railways and into the neighbouring Colonies, and from there into this Colony as South African produce. That would be in direct conflict with article 27 of the Convention, because if the stuff travels from the neighbouring Colonies into the Cape Colony that Colony owes us a duty on that, and *vice versa*. I think that matter has been taken no notice of at all. That matter largely affects the wine industry.

7734. Does any of that stuff come from the neighbouring Colonies into this Colony ?—I really cannot say. It might from Natal. Natal, I should say, would be able to make a very good acetic vinegar on account of their good water, because you want good water for it. As it has some connection with the wine industry, I would like to say—although it may be a little selfish—that I would like a higher duty on spirits, particularly spirit imported in bulk.

7735. Do you think we can differentiate ?—What I particularly wish to get at is that there is spirit imported in bulk which is, I think, the cheapest spirit imported into this country. It is too cheap to be a wine spirit, and it is also, I think, too cheap to be a barley spirit. It must either be sold here as a whisky or a brandy. It would be a good thing if, through the Customs Tariff, we could get them to state the origin of that spirit. We surmise that the spirit would be a potato spirit. I was engaged on a Commission a few years ago, when we found that to be the case from the evidence of wine merchants themselves.

7736. What is the present protection—2s. 7½d. a bottle ?—Yes.

7737. Is not that full protection, with the additional freight and charges of that sort ?—Not against that inferior spirit. I am speaking more of the spirit imported in bulk.

7738. Very little bulk stuff comes up ?—I did not know that. I wrote on

Saturday to the Customs for some information on these points, but have not received it yet.

7739. Then you do not press that point ?—No. As you have been busy with wheat, I might take that. As I say, we do mixed farming, and I am also connected with a milling business. I will more direct myself to the fostering of Colonial wheat and what has caused it to go back. If you go back a few years, you will find we were in as bad a position, or even worse, than to-day with regard to wheat. It was found out by accident that the South American and Algerian oats would do well here. They would be rust-resistent, and not only that but they would yield double the amount per acre that our old Cape oats yielded. That is the reason why to-day we are in such a good position, because we started milling the other stuff. The oats have taken the place of the wheat altogether. With our old varieties of wheat—because we only had the old, and no fresh importations of seed—not only did they give way to rust, but they gave less and less per acre. We had imported some rust-resisting wheat largely from Italy and North Africa. These wheats did fairly well. The Rietti does fairly well. The Medea, a better wheat, does not do so well because it is also liable to rust, and you are not always certain of your crop. The Rietti is a dark wheat and will never command the highest price in our market, or in any market, in comparison with the imported wheats. In later years still—I can only speak from my own experience of experimenting with a few different samples of wheat—there have been a couple of kinds of white wheat which have been imported both by the Government and by private people. As I believe there have been a lot of reports on the Government wheat, I will more deal with the wheat imported by the private party, because I was instrumental in distributing it here. It was the Darling wheat, imported by Mills & Co. Some of it was sown in this district last year, It yielded magnificiently. It is a beautiful white wheat, as fine as any wheat that can ever be imported. It was rust-resistent and more drought-resistent than our old wheats, and it yielded about double the amount per acre. This year a good bit more of it has been sown, but the people do not know about it, and the supply was only limited. So far the wheat I know of promises very well indeed ; in fact, a farmer here, who is accustomed to sowing wheat, says he has never seen as fine a wheat. If a wheat like that were to do as well as it has been doing this last year, and as it promises for this year, I think the farmers would go in largely for wheat.

7740; *Mr. Tod.*] Is it imported ?—Yes. It has been made in Australia ; in fact it is quite a new wheat in Australia. Mills got it here and, as one of the members of the firm informed me at the time, they got it against the wish of the Australian Government, as they only had a small supply of the seed and they did not wish any of it exported. They sold a little of the seed to be used for distribution, with the express condition that the yield from that seed should only be used again as seed. There was very little sown here—about a thousand pounds by different farmers—and all did very well indeed.

7741. *Chairman.*] What is the total amount of wheat produced in this district ? —Not much. A few years back we produced more, but all the wheat land has been put under oats now.

7742. Do you think you are likely to produce more wheat here ?—Yes ; as soon as the farmers are satisfied that they can sow a good rust-resistent wheat, from which they can be fairly sure of their crop, they will do so.

7743. Is there any other point besides wheat ?—If any one wished to question me on wheat, I would prefer disposing of that, and also the acetic acid matter.

7744. Dr. *Viljoen.*] Is the acetic acid being manufactured here into Colonial vinegar ?—Yes.

7745. The acetic acid on which you pay 3s. 3d. ?—Yes.

7746. That is sent over the Colonial railways as South African produce ?—Yes.

7747. The article is absolutely imported, and the water added as the Colonial part of it ?—Yes.

7748. With reference to the wheat, of course you know at the last Convention the protection on wheat was not increased ?—Yes.

7749. That is one of the main reasons why wheat is still being carried over the railways at ½d. per ton per mile, as against other Colonial produce at ¾d. per ton per mile ?—Yes.

7750. Would you, as a farmer, be in favour of the abolition of the preference on the railways on Colonial produce ?—No ; and that is the mind of our whole farming body.

7751. Are you the President of the Agricultural Society ?—No ; I am merely a member of the Committee.

7752. And the views you have expressed here to-day are the views of the Agricultural Society, which represents the farmers of the Worcester District ?—Yes.

7753. And you are opposed to the abolition of the preference on the railways ?—Yes.

7754. Would you be in favour of the retention of these preferences even although you were given a compensating advantage at the port for any loss you might sustain by the abolition ?—Yes. I prefer that to asking for a higher duty.

7755. Can you give any reasons for preferring it ?—Our country is big. We are sparcely populated, and have to get with our products over a large area, and if we do not have cheap railage we simply cannot get to these people. If we should get our railage raised for our produce sent to the Western Province, and that same produce could be imported with the higher duty at Port Elizabeth or East London, we would not get half as far as we get now with the preferential railway rates, and as far as the inland consumer is concerned I almost think he should be opposed to it, because I should say if there was to be a levelling, the tendency would be to level up and not down.

7756. Supposing there is an abolition of the preferential railway rates, it is going to be a levelling up ?—Yes.

7757. And the man inland will have to pay the difference between the present rate and the proposed increase ?—Yes.

7758. Are you satisfied with the present Customs Tariff with reference to the agricultural products, such as grain—exclusive of wheat now—lucerne, oats and barley, 2s. per 100 lbs. ?—Yes, I think so.

7759. Provided you retain the preference on the railway ?—Yes.

7760. Do you think 1s. per 100 lbs. on wheat is sufficient protection ?—It would perhape be sufficient, but at the present time the wheat farmer has had combination of things working against him. We must re-establish our wheat industry, because I feel satisfied that this country can produce at least twenty times the quantity of wheat we are producing to-day. I am not simply speaking at random ; I have travelled all over the country, and know what I talk of. I think we can produce very much more wheat than we do to-day, but there has been a combination of circumstances which has affected the wheat farmer. To-day the producer of Colonial wheat does not get an adequate price. When we take the price of imported wheat and the preference the man gets over the railway lines, if you had to buy Colonial meal where the price of good wheat was 17s. 6d.—which could be turned into Colonial Boer meal without sifting—you would have the meal somewhere about 19s., and if we bought the Colonial meal from a miller we should have to pay somewhere about 22s., because as a rule most of this Colonial meal has been going to far away places like Rhodesia—and a little to Kimberley, Vryburg and Mafeking. Why the Colonial producer to-day is largely placed like that is that the production has been insignificant. The millers have been looking entirely to the imported stuff.

7761. *Mr. Tod.*] Has not the preferential railway rate anything to do with that ?—No. That has helped the Colonial producer a little. The Colonial production has been so insignificant that they have hardly considered it. If we produced twenty thousand instead of a thousand bags it would be worth while other buyers coming into the district.

7762. Do you mean us to understand that Colonial wheat does not fetch its proper value ?—Yes, I think so, and not only here, but all over the grain district. With the production falling so, the small outside mills have almost closed altogether. A mill near here was for sale a few years ago. You would find all the small mills and farm mills are closed. These people were unable to get the Colonial wheat, and until now the whole of the trade has fallen into the hands of the people who deal in the imported article.

7763. *Dr. Viljoen.*] With better protection on wheat through the Customs at the port, and these new Darling and other rust-resisting wheats, could we expect an increased production in the country in the near future ?—Certainly.

7764. I will put it in this way : Do you think by increasing the duty on wheat at the port it would be a stimulation to the farmer to produce more ?—Certainly.

7765. You are convinced of that ?—Certainly. You have not asked me about the advisability of it.

7766. I will ask you then ?—I would say it would be a better form to give them a bounty, because if you take the present price I would like to be a producer of wheat. I am looking at it from the point of view of a producer. I would not be able to ask for an increased duty to-day, because I consider the price is high enough Since we do not know what we may have in the future—the price may rise higher—we do not want a duty, but when the price comes down and you can get imported wheat at the Cape Town Docks at 15s., then the man wants more pretection. To have a sliding scale of duties disorganises trade altogether. What I would sooner wish to see would be a bounty up to a certain scale. At present the wheat producer does not require a bounty. Let the man be assured of a price for a good class wheat of about 18s.

7767. Would you consider 18s. a fair price to the farmer for his wheat ?—Yes.

7768. That is your experience ?—Yes.

7769. This is a wine-producing district. Is there anything you wish to bring forward with reference to the wine except the things you have mentioned ?—There is one thing. Wine carried over the railways in large quantities could be carried at a lower rate than it is being carried at now. To-day it travels at third-class rate—when carried in large quantities.

7770. What would you suggest if it is carried in large quantities ? Should it go as an ordinary agricultural product at ¾d. per ton per mile ?—Yes.

7771. You think wine carried in large quantities should be placed on the same basis as regards railage as oathay, fodder and potatoes ?—Yes.

7772. In smaller quantities you are willing to pay the higher rate ?—Yes. In regard to methylated, I know of the free interchange of Colonial products and I do not wish to disturb that, but I have had it brought to my notice by a member of the Fruit Growers' Congress living in the Native Territories that there is a great deal of methylated spirits sold in the Native Territories. They directed our attention towards that. I know of an instance of methylated spirits going from this town in a condition when it would still be consumed by the native ; and if it goes up from this town in a condition such as that it might come into this country also in such a condition that it could be consumed by the native.

7773. You mean to infer that methylated spirits is now in competition with the Cape brandy ?—It may be.

7774. What do you suggest ?—When on this Wine Commission a few years ago, it was given, I think in Colonel Warren's evidence, that they added almost anything to their Cape brandy to make it burn their throats, and he mentioned methylated spirits, etc. I am merely directing attention to it ; I cannot suggest any remedy. My only suggestion would be to make the spirit so that it cannot possibly be consumed. I know that so-called methylated spirits have come into this town in a condition when they could still be consumed by the native.

7775. *Mr. Tod.*] Really spirits of wine ?—They were short of naphtha and it was allowed to go like that.

7776. *Dr. Viljoen.*] There is nothing suggested in connection with the wine ? —No.

7777. This is not a stock-raising district ?—No.

7778. Are you in favour of the increase of the duty on meat ?—If the stock farmers are in favour of it I have no objection. Our district has no butchery ; we buy meat.

7779. Your Agricultural Society would be in favour of an increased duty on meat ?—If the stock farmer wants it they would be satisfied.

7780. Do you know what the duty is on butter, or are you not in a position to give evidence on butter ?—No.

7781. On cheese ?—I can say a little on these things. We do not make cheese in this district.

7782. You know the duty at present is an *ad valorem* duty of 15 per cent. ?—Yes.

7783. Would you be in favour of making it a rated duty—that is to put, say, 2d. or 3d. a pound on cheese ?—I think that much better because it obviates fraud.

7784. You think your Society would be in favour of a duty on the imported cheese ?—I am positive my Society is in favour of it.

7785. As a member of the Agricultural Society of Worcester, and as a farmer, are you in favour of a continuation of the present Customs Union, even although there may be changes—raising or lowering of the duties ?—Certainly.

7786. Do you speak for your Society ?—Yes.

7787. You would be absolutely opposed to the breaking of the Customs Union ?—Yes. A good bit can be sacrificed to maintain the Customs Union.

7788. Would you suggest to the Commission any minimum period for which the next Customs Convention should be entered into ? You are not in favour of its being for a short time and constantly being changed ?—We have to look at other things. It is good to have it fixed for a certain term, but at present we are granting protection. It might be suggested that we give a further protection on wheat. If the Customs Convention lasts for ten years I should hope before ten years are over it will not be necessary to have any duty. Then the duty ought to fall away. Now we have certain industries. All industries which can be established in the country—genuine industries—ought to be well protected, but conditions change and some of these industries grow to such an extent that they no longer require the protection. If we have a long period it may be too long. There should be certain safeguards. For instance, we are giving big protection to the vehicle industry, also the boots and shoes industry. The condition of things has changed a good bit with the vehicle industry. To-day it imports almost everything ready-made. If you look at a cart, everything about it is imported ready made besides the body ; I think they do not import the two iron supports to the splash board. At present our people are still fitting them up, but what is to prevent an American firm from starting here, making their vehicle stuff there and fitting them up here ? If we grant too long a pretection we may possibly have these things springing up. Now with the leather industry we have given them a very good protection. A few years back we had not the tanning material in South Africa to tan our leather with. To-day South Africa is exporting both tanning bark and hides, and all kinds of skins.

7789. And importing leather ?—Yes. So we must be careful not to make the term too long. It is the same also with the wheat.

7790. *Mr. Scott.*] With regard to the preferential railway rates, I understand that you are not in favour of abolishing these on Colonial produce ?—I am not.

7791. Are you in favour of abolishing them in regard to other industries—such industries as are at the coast ? Take wagons, jam-making, boots or any other industry which enjoys the privilege ?—They do not come under the C. rate.

7792. There is a 20 per cent. preference given to certain Colonial industries on the railways ?—I am not in favour of taking off those rates.

7793. Not even if an increase was given at the port through the Customs ?—No.

7794. With regard to fresh fruit, is it necessary to have any protection on fresh imported fruit, such as apples ?—No.

7795. Why ?—We have considered that matter several times at the Horticultural Board meeting—I am a member of the Horticultural Board—and I must say we are pretty evenly divided on the question. This country has not got fruit to supply the whole year round and, looking at it from a selfish point of view as a fruit raiser, when we get to our fruit season we will not have the fruit shops in existence to sell our fruit if these fruit dealers have not something to sell in the meantime —the imported fruits.

7796. Supposing you stored the fruit in cold storage—apples, for instance—and supplied your shopkeepers ?—We have not got enough at present, and have not the storage.

7797. I understand that last season apples were very plentiful in the Western Province, and I may also say there is large cold storage at the coast at present, which could store these articles. I am rather surprised to hear you make that assertion ?—The fruit shops could not remain in existence on apples only.

7798. There are oranges and other fruits which will keep. Are you in favour of encouraging cold storages at the coast for the benefit of protecting Colonial fruits ?—Certainly.

7799. You do not think an increase on fresh fruit would be beneficial in that direction ?—When we have the cold storage and when we have the fruit.

7800. You make reference to the wagon industry. You are not a wagon-maker yourself ?—No.

7801. But you remember a few years ago when the duty was taken off how that industry was affected ?—Yes.

7802. What was the effect ?—There was a regular outcry ; they could not compete with the imported article.

7803. Was there anything else happened ?—No.

7804. Was there a large importation of foreign-made vehicles ?—There was a large import of foreign-made vehicles, but the time was abnormal ; there was such a demand that we will perhaps not have again. There was a demand for more vehicles in one year than we would have for the next five or six years together.

7805. What was that on account of ?—On account of the war.

7806. I am speaking about 1886 ?—I could not speak about that ; it is rather far back for me.

7807. The last alteration was very detrimental to the wagon industry ?—I think since the duty has been put on the cart and vehicle building industry has shrunk in this Colony—not that we put up less vehicles but we employ less people, because we are getting things ready-made.

7808. The wagon-maker is not in favour of the ready-made articles coming into the Colony. Would you like to see them shut out ?—The ready-made articles, certainly.

7809. Is the Colonial-made vehicle or wagon a better article than the imported ?—I cannot say that, but that does not touch my question ; I am speaking of the Colonial fitted-up vehicle.

7810. What comparison does the vehicle made in the Colony from the commencement to the finish bear to the imported article which comes in in parts ?—The maker of the Colonial-made vehicle would have to spend three or four times as much in wages in the country.

7811. Is that beneficial ?—Certainly. He would have to spend three or four times as much wages as the man who imports the articles and fits them up here.

7812. Is the article that is imported in parts and fitted up an article that will last as long as the vehicle made in the Colony ?—I cannot judge of that. There are a few little anomalies in regard to vehicles. There is a great anomaly which also affects agriculture a little. We import motors at 15 per cent. and carts at 25 per cent.

7813. Are you in favour of increasing the duty on motors ?—I certainly should say so, because they are only used by people who can pay for them.

7814. *Mr. Tod.*] Why do you want your Colonial goods carried over the railways at a less rate than the imported goods ?—To encourage the Colonial producer.

7815. To allow you to compete against the imported article more favourably ?—Yes.

7816. Cannot you do that by means of an increased Customs Tariff ?—No. The ports of entry are several. We would not, I think, be able to carry Colonial stuff to Cradock if we had not preferential railway rates ; they would get the imported stuff from Port Elizabeth.

7817. That is on the basis of the present duties, but if a carefully-thought-out duty gives you exactly that advantage as against the imported article, is not that sufficient ?—No.

7818. You said the inland consumer was much benefitted by the preferential railway rates ?—Very much.

7819. Would you be surprised to hear that the inland people are the ones who object to the preferential railway rates ?—They think the rates will be lowered and not raised.

7820. No. They contend, in regard to the bonus, the farmer is given through the railway rates that the only people paying that bonus to the farmer are the people carrying the stuff over the railways, and therefore the people at the seaports are not paying their fair share of the taxation, because these preferential railway rates are of the nature of a bonus to the farmer. You know wheat grown in the Western Province goes inland for sale in order to get the advantage of the preferential railway rates. That wheat is not used in Cape Town. Take Kimberley. A duty of 8d. per 100 lbs. at the seaport equalises the preferential railway rate. Therefore, if an additional duty of 8d. per 100 lbs. was put on wheat at Cape Town there would be no advantage, if the preferential railway rates are done away with, in sending wheat to Kimberley, and you would still be in the position to compete on as favourable terms with the imported article. Is it not singular that these inland towns want the preferential railway rates done away with, and yet these are the people you want to benefit by them ?—I do not think they see it in the proper light.

7821. To your mind, no amount of duty can compensate for doing away with the preferential railway rates ?—It is not merely the fact of carrying stuff from our grain districts to these parts, but we will stimulate production. We have been making lines of railway all over the country, and are contemplating lines, and wherever we have made them it is not because they are paying to-day, but because we are able to stimulate production and we want to carry these people's stuff at as low a rate as possible.

7822. You are confusing a low rate with a preferential railway rate. The point is whether you are going to maintain the distinction between the rate on the imported and on the Colonial grown article. You can reduce your rate if you like, but is it to apply equally to the Colonial and imported articles ?—Would the railways be satisfied to reduce the rate on the imported articles ?

7823. What you want is cheapness. As long as you have protection against the imported article competing with you you are satisfied ?—I will not say without going fully into the matter, because I do not think the 8d. covers it.

7824. If you get an absolute equivalent through the Customs to what you are getting through the preferential railway rates, will that satisfy you ?—We have a Customs Convention, and our country is peculiar ; we have a sparse population over a large area.

7825. That does not affect the principle ?—It does.

7826. I am asking you a plain question. It does not matter how sparse the population, or how far you have to carry the stuff. If the Government give an equivalent protection through the Customs what is your objection ?—Can they give an equivalent protection right from here to Salisbury.

7827. That is not the difficulty. The question is whether you are satisfied to have the protection through the Customs as against the railways ?—It is impossible ; I do not see how you can give us an equivalent protection for that long distance.

7828. You say the preferential railway rates affect the inland consumer, and he tells us a totally different tale, and says it is class legislation—that you are taxing the inland consumer and letting the seaport people go free. Assume that in a time of scarcity there is no wheat grown here and the people of Kimberley have to import all their wheat ; they have to pay an excessive rate on the wheat and the man at the port does not pay it because he does not use the railway ?—You misunderstand me. We are not making the inland man pay more for his railage, but are allowing the Colonial article to go at a lower rate. When the Colonial article is not there then the inland man suffers, because he has to take the stuff which travels at the higher rate.

7829. The price of the article to the inland man is fixed at the cost of the imported article. The difference in railage is on wheat ½d. per ton per mile for Colonial wheat and 1¼d. for imported, and as you tell us the Colonial production bears but a small proportion to the total amount of wheat required, do you not see either the ½d. per ton is low or 1¼d. excessive ?—The ½d. is too low.

7830. Perhaps a level rate of 1d. on both wheats is the right thing for the inland consumer, but then the farmer says, " You are taking a protection away from me which I am getting through the railways, and at present I cannot sell my wheat at Cape Town against the imported article, but with the additional protection through the railways I can sell it at Kimberley. If you take away my preferential railway rate you must enable me to sell my wheat at Cape Town, or wherever I go, in competition with the imported," and that can only be done by increasing the duty ?—The duty would have to be increased much more than the people would be satisfied with. I look upon the preferential railway rates as a concession to the Colonial article.

7831. The consumer inland takes quite a different view. He says, " It is class taxation ; you are taxing us through the railways " ?—I think the consumers will find instead of the railways levelling down they will be levelled up.

7832. They are prepared for that ?—How will it benefit them ? They will be paying more for the Colonial and more for the imported article.

7833. They are using five times as much imported as the Colonial article. They wish to lower the imported rate from 1¼d. to 1d. and to raise the ½d. rate to 1d. Do you not see there will be a gain to them there, seeing they are using five times as much of one as of the other ?—I think the rates will level up.

7834. It does not matter what the Customs duties are ; you want the preferential railway rates ?—Yes

7835. *Mr. Kayser.*] Do you know how far it is from here to Kimberley ?—About 540 miles.

7836. That is 22s. 6d. per ton. The difference between that and the imported is ¾d., which will be 33s. 9d. per ton ?—Yes.

7837. What does a ton at 8d. per 100 lbs. work out at—13s. 4d. ?—Yes.

7838. With regard to these Colonial-made vehicles, you said you were distinctly in favour of the present preference of 20 per cent. on the railways being continued ?—Yes. I am not speaking of that ; it was simply when I was asked on the duration of the Customs Convention I said it was difficult to speak of it because it affects certain industries.

7839. You are in favour of the preferential railway rates being continued for South African manufactures ?—Yes.

7840. Do you mean you are in favour of the preference being continued to the vehicle which is put together in this country ?—No. I look upon that as an imported vehicle put together here.

7841. You think where the goods are imported the rate should be the same as the imported article ?—Yes.

7842. You would only give the preference if the vehicle were made from Colonial timber throughout, with the exception of such articles as we cannot grow ?—Yes.

7843. Are you aware that these goods come in at a very low rate ?—They come in at 3 per cent.

7844. Do you think that low rate of duty should be continued ?—I certainly do not think so.

7845. You think articles imported for manufacture should pay the same rate as the goods themselves ?—Not articles imported for manufacture. I am speaking of the articles which are as good as ready-made when they come here.

7846. You think they should bear a higher rate of duty ?—Yes. Take the hubs, spokes, shaft, pole, the timber for the bent top of the cart ; all these come in roughly fashioned ; they come in at 3 per cent.

7847. You think raw material should come in free ?—Yes.

7848. Anything we can work up ?—Yes.

7849. You do not think goods partially manufactured should come in at a special rate ?—No.

7580. Your argument regarding the preference on the rail carriage is in favour of the raw products of the soil ?—Yes.

7851. Only such manufactures as use the raw products of the soil ?—Yes.

7852. You said you objected to vinegar made from acetic acid travelling as a South African manufactured article—for that reason ?—Yes, and I also drew attention to the fact that it was in direct conflict with one of the articles of the Customs Convention.

7853. With regard to the price of meal made from imported wheat, was I right in understanding you to say that it was sold here cheaper than that made from Colonial wheat ?—Yes.

7854. 19s. for imported and 22s. for Colonial ?—About that ratio.

7855. Simply because of the preferential railway rate ?—Yes.

7856. That means the man North has to pay slightly more for his Colonial meal, and he does not get the advantage of the whole of the preference ?—Yes.

7857. He practically does pay a certain amount of that to the farmer ?—Yes.

7858. You said you wished an alteration made with regard to the rate charged for wine carried in large quantities. You think that should be carried at the same rate as ordinary produce ?—Yes.

7859. Would you be in favour of the same condition being made on that—that it should be carried at owner's risk ?—Yes, if the sender consigns at that.

7860. If it were taken at ¾d. per ton per mile it should go at owner's risk ?—Yes. In regard to the other Colonial produce travelling at ¾d. per ton, that does not travel at owner's risk. I wish the wine to travel on the same conditions as the other stuff.

7861. With regard to protection, you said there was already good protection to such Colonial manufactures as leather ?—I really did not want to refer to that, because it is outside my province. I only mentioned that in connection with the question of the duration of the Customs Convention.

7862. Would you be in favour of that protection being increased ?—I am not prepared to answer that.

7863. *Dr. Viljoen.*] Did I understand you to say we have not enough fruit ?—Not the whole year round.

7864. Not enough apples ?—I cannot say whether we had enough last season, but the season before we had not.

7865. You admit that a large number of the trees are only beginning to bear, and the fruit supply will not decrease, but will increase in the future ?—Yes.

7866. Do you export fruit from here to Europe ?—Yes.

7867. Your Society, too ?—No.

7868. Are you satisfied with the 15 per cent. on shooks ?—No.

7869. Why not ?—Because we cannot make fruit boxes in this country. We have not the wood in the country. We have to do a lot at present to encourage the fruit industry, particularly in exporting.

7870. If these shooks were made from Colonial timber would they be prepared to pay the 15 per cent. ?—We have not got the Colonial timber.

7871. I say supposing we had ?—If we had a suitable Colonial timber, but at present, as far as I know, we have not got it, I will give another reason why I would wish the boxes to come in low at present—both to encourage the fruit industry and from a railway point of view, because the Railway Department is anxious that we shall do all our fruit conveyance in boxes instead of baskets, as the basket conveyance has been more expensive.

7872. Have you not been notified within the last fourteen days by the Government that after a certain period no more fruit will be carried in baskets ?—We have seen that in the "Gazette," and for this season they will charge ¼d. more on baskets of grapes than when they are in boxes.

7873. If you send your fruit in baskets you have to pay more than sending them in boxes ?—Yes.

7874. *Mr. Kayser.*] You have tried to buy your boxes in this country ?—I bought some some years ago from Thesens, but these were imported.

7875. Have you tried lately ?—No.

7876. Because we have had it in evidence that we can get the boxes made equally cheaply ?—Yes, but we have not the light timber ; the wood is not light enough.

7877. Is it not imported timber cut here ?—I thought you were referring more to Colonial-grown timber.

7878. We have it in evidence that boxes can be made in this country to advantage ?—I have no experience of that. I have not tried to get the Colonial boxes. We have mostly bought the cheapest, which have been the imported.

7879. The imported have been the cheapest even with the 15 per cent. ?—Up to the present. We cannot get the Colonial boxes as nicely made up. The imported box is stencilled with whatever we want. I think that is what is done so much better in the imported than the Colonial box.

7880. Do you not think you, as a farmer, should contribute something in the way of duty on your boxes ? It appears to me it is not a big tax ?—I am wanting the boxes to come in cheaply because I am anxious that the farmers should contribute to the revenue, because if the boxes were too high they would not send over the railway.

7881. Do you know the duty on a box ?—It is very little per box.

7882. A further 15 per cent. duty would not stop the export of fruit ?—No, but at any rate, where you paid £100 for boxes, to-day you would pay £115.

7883. And without the duty about £85 ?—Yes.

7884. At all events, your experience is that you cannot buy the Colonial manufactured article at the same price as the imported, even under present conditions ?—Yes.

7885. *Chairman.*] Did not your argumeut apply to other things than boxes ? Do you not think we can import things better got up for the market than Colonial things—of any sort almost ?—What the box is required for really is simply for carrying the product of an industry which employs an immense amount of labour in this country—perhaps more than any other industry in the country—and that is the fruit industry.

7886. Is it white or coloured labour ?—We employ both. I would not be surprised if we employed more white labour than any other industry—including mining—in the Cape Colony.

7887. You said you wanted wine carried at lower rates. Do you know the up-country people object to paying double the rates on groceries as on wine ? Do you not think wine a luxury ?—I was not considering the up-country people alone. Here we carry wine by the bogie truckload to the distilleries, and that, I consider, is a very paying traffic, even at ¾d. per ton. Most of that wine is loaded on the truck by the farmer himself.

7888. *Mr. Scott.*] You have made some statements on a subject you are not quite familiar with. For instance, you said that the boxes could not be so nicely stencilled as the imported boxes ?—As cheaply.

7889. Have you any special knowledge of that ?—Yes.

7890. Are you aware at the present moment special machinery has been imported for printing these boxes ?—It may have just been done, but my experience, as far as it goes, is that we are not able to get these.

7891. How far back are you speaking ?—I have shipped for five or six years.

7892. Have you tried to buy your boxes lately in Cape Town ?—No.

7893. So, of course, you were not quite correct when you made that statement that the article could not be printed as well as the imported article ?—As cheaply.

7894. What do you mean by " as cheaply " ?—If it has been an extra charge for printing.

7895. It is worth something, of course ?—Yes.

7896. Can you tell me how much it costs per thousand ?—No.

7897. How can you say it is too dear ? Are you also aware you can print your own name in two or three colours on the boxes in Cape Town ?—It can most likely be done.

7898. You are not aware that it is being done ?—Is the thing turned out to-day as cheaply as the imported ?

7899. Have you tried to buy your boxes lately in Cape Town ?—No.

7900. Is it any advantage to you to get boxes made at the coast ? Do these come over the railway any cheaper than the imported article ?—I am not aware of that.

7901. Would I be wrong in telling you that the railways carry these boxes at 20 per cent. lower than the imported article ?—My knowledge of the matter is gained more in front of the Horticultural Board, which is composed largely of fruit importers, and we are constantly having this thing brought up to have the duty taken off.

7902. Can you tell me how much your Society exports in the way of fruit ?—We have no society exporting. At my place we use somewhere between 5,000 and 7,000 boxes every year.

7903. How much of them do you export ?—This year we did not export much.

7904. Give me an idea how much you exported of that 5,000 to 7,000 boxes ?—The season before the last, speaking roughly, I should say about 3,000.

7905. Supposing a vessel was to go down with all your boxes on board, what would happen if there were no boxes in the Colony ?—These things are always imported some good time before.

7906. Suppose your fruit came on rapidly and you had no boxes ?—We have not had any case like that arising, and it is difficult for me to say what would happen. I would like to draw attention to one point in regard to the sale of Colonial and imported articles. At any place selling both I should say it would be well, where practicable, that imported articles should specially be labelled as such. I think they do something of the kind with meat.

Max Schonland, representing the Worcester Agricultural Society, examined on Agriculture and Railway Rates.

7907. *Chairman.*] What do you wish to give evidence on ?—I have been asked by the Agricultural Society to give a few opinions from a mercantile point of view. I have no instructions as to my evidence. I may start with saying that I am also in favour of the preferential railway rates being retained. As an argument against Mr. Tod's proposition that an extra duty would equalise the preferential rate at present given on the railways, I would only say that the same rate we would have at Cape Town we would also have at Delagoa Bay, under a Customs Convention, and no equalising could be made possible for sending all our articles, such as oats and oathay. It would not be possible to do it, because our geographical position puts us at a disadvantage in that respect. We would have to carry the stuff 600 miles further from a certain place inland which would have to pay the same rate at the port as we are paying.

7908. Is there any other point ?—I am interested in the dried fruit trade and wine and brandy trade. I think the protection we have for dried fruit at present is sufficient if the endeavour of the farmers would be to produce a better article. I do not know whether that comes within the scope of this Commission. The imported article takes the place, although it is dearer. On the subject of boxes, I am a little more *au fait* than the last witness. The Colonial-made article fulfils every purpose for which we require it.

7909. *Mr. Harlow.*] You are against the 15 per cent. ?—Not at present. I should certainly be in favour of the raw material being brought in free. It gives employment to a good many men who have to live here, and pay an indirect taxation.

7910. *Chairman.*] Is there any other point ?—I would be in favour of the Customs duties between the different Colonies on spirits being equalised. Supposing we have a 6s. excise on the Colonial brandy, a cask should pay the same duty going into the Transvaal or any other State belonging to the Customs Convention.

7911. Supposing the Transvaal wanted to pay 15s. on a case of brandy ?—That would be too much.

7912. The majority of the States decide, and you must agree. The Cape cannot dictate to the other four States what the excise on brandy shall be. Is there anything else ?—I do not think so.

7913. *Dr. Viljoen.*] Are you in favour of the contracting parties having the right to put on special duties ? Supposing whisky has to pay a certain duty, and in the Colony we put on countervailing duties, are you in favour of every one of the contracting parties having that power ?—Certainly.

7914. *Mr. Kayser.*] You are in favour of the duty on fruit boxes ?—Certainly. I think it is reasonable, because they can be produced in the country. I am speaking as far as dried fruit boxes are concerned. I have no experience of the fresh fruit trade. My dried fruit boxes are fine boxes.

7915. Do you purchase your boxes in this country ?—Yes.

7916. Do you find you can purchase them to advantage ?—As well as the imported, any way.

7917. What is your reason for a continuance of the duty ?—Because it employs people here, and certainly it is an advantage if the stuff can be made equally well in this country.

7918. Are you in favour of the preferential railway rates ?—Certainly.

7919. On all goods ?—Colonial produced and Colonial made.

7920. You think Colonial manufactures should be protected even if they use imported material ?—If they are altogether manufactured here, yes.

7921. *Dr. Viljoen.*] Do your remarks with reference to boxes apply to the boxes for dried fruit or to fresh fruit boxes ?—I have no experience of fresh fruit boxes.

7922. You are not in a position to give any evidence on fresh fruit boxes ?—No.

7923. *Mr. Kayser.*] What we want to know is this. You said you were in favour of 15 per cent. duty on boxes ?—Yes.

7924. Do you think a difference should be made in favour of fruit boxes ? Would you have an objection to their coming in free ?—No.

7925. You would be quite prepared to pay the duty on your own boxes ?—Yes.

7926. *Mr. Scott.*] Have you found the Colonial timber suitable for dried fruit, such as prunes or whatever fruit you pack ?—No. They are boxes made from imported timber. The poplar is too heavy. A box for raisins weighs 2½ lbs. more than one made of imported wood.

7927. There is no odour in the wood which is being used ?—No.

7928. If it is non-odourous it would also do for fresh fruit ?—Yes.

CAPE TOWN, 3rd, 4th, 5th, 6th, 9th, 10th, 11th, 12th, 13th, 16th, 17th, 18th December, 1907.

PRESENT:

George Whitaker, Esq. (Chairman).

C. F. Kayser, Esq.
C. E. Tod, Esq.
Dr. A. G. Viljoen.
J. Pyott, Esq.
G. A. Scott, Esq. (except on the 12th).
J. Harlow, Esq.

G. Owen Smith (Secretary and Customs Adviser).

Agriculture and Horticulture and other Farming Industries.

Harry Oakes Arton and *Henry Meyers*, Fruit-growers and Exporters, representing the Paarl Farmers' Association, examined.

7929. *The Chairman.*] You represent the Paarl Farmers' Association —*Mr. Meyers*: Yes.

7930. You wish to give evidence on the fruit export trade? On the duty imposed on imported boxes for carrying on the fruit export trade.

7931. Will you make any statement?—I have a written statement here (reading and handing in same).

RE 15 PER CENT. IMPORT DUTY ON BOXES AND WOOD WOOL USED IN THE FRUIT EXPORT TRADE.

Points which are intended to be brought forward in the evidence of Messrs. H. O. Arton and Henry Meyers, representing the Paarl Farmers' Association :—

1. Material has to be imported. Norway and Sweden have ample supply of timber, which is landed at the ports cheaply ; have also efficient labour and machinery of the best.
2. If industry is to be established here, expensive and suitable machinery will have to be imported.
3. Absolutely no suitable South African timber.
4. The small number of skilled men for whom employment will be found, if all Colonial requirements are placed here.
5. Absolute impossibility of competing with imported article in quality or in price without further protection, which means a direct tax on products.
6. Movement now on *re* Railways to carry boxes instead of baskets for Northern trade. The retention of any duty will mitigate against the soundness of any move in this direction.
7. Should any evidence have been given in the Eastern Province showing that Colonial industries using boxes are not taxed to the extent of the duty, it can only be that such evidence has been given in ignorance of best quotations that have been got from Europe by large importers.
8. In many instances quality of boxes (Colonial) very unfavourable as compared with imported.

I have written this out on account of conversations with the various members. I have not put it before my association, but the secretary has sent the points he wishes brought forward before the Commission to-day.

7932. *Dr. Viljoen.*] You both represent the Farmers' Association at the Paarl?—Yes.

7933. You are both large fruit-growers, I believe?—Yes.

7934. Exporters of fruit?—Growers and exporters.

7935. Does this matter of the 15 per cent. duty on shooks affect you seriously?—Yes, it is a heavy tax upon us.

7936. Could you tell the Commission the approximate number of boxes exported annually?—I have not the statistics. I really cannot say. The secretary of the Horticultural Board could give you all the statistics. He should give evidence before this Commission, I think.

7937. *Mr. Arton.*] It was up to 150,000 cases, I think.

7937a. Will this export trade increase in the future?—*Mr. Arton.*] Enormously.

7938. It is in its juvenility?—Yes practically at the beginning.

7939. It is only during the last couple of years with the stimulus that has been put on it that it has increased very largely? You make the statement here that the material has to be imported. Is there no timber in this country suitable?—There is absolutely no timber in this country suitable for box-making. I have used them made of Colonial timber.

7940. What kind?—I meant to bring in a sample. It was made of poplar, I think.

7941. Did it give satisfaction?—No; it was hopelessly unsatisfactory.

7942. Can you say why?—It is a dirty, filthy, dark colour to begin with, and in the export trade of fruit the appearance cuts a very big figure. It has a nasty appearance, and then in making up the boxes it does not take the nails like the soft white pine of Norway. You could not make the boxes through a nailing machine. The big makers are going in for these nailing machines. It is difficult to make by hand; it splits and cracks.

7943. You cannot put the boxes made from Colonial wood through the nailing machine?—I question very much if you can.

7944. Is it largely used?—In two or three places, and will be in more places I am sure.

Mr. Meyers.] Our boxes are in a different position to the other boxes used in the Colony. Ours cannot be made from Colonial timber, because they are cut exceptionally thin, and when this poplar is cut exceptionally thin it warps and splits as well.

7945. Would you tell the Commission whether it is necessary to have the fruit boxes of the very finest quality and smooth, or could the wood be rough?—*Mr. Arton*: For the export trade it is necessary that it should be of good appearance—smooth and planed on the outside right through.

7946. You are of opinion that it cannot be made here from Colonial wood?—I am satisfied that it cannot be made here.

Mr. Meyers.] I think, as a matter of fact, the Government would have used the Colonial timber for their fruit boxes, but I think the timber was imported.

7947. Is that a stipulation?—*Mr. Meyers*: I do not think so, but, as a matter of fact, it is imported timber, I think, and they would have used Colonial timber if it had been possible.

7948. Have you had any fruit boxes made in the Colony from imported timber?—I have had samples, which I have had to reject, and could not take at any price.

7949. Made by reputable firms in Cape Town?—Yes.

Mr. Arton.] I had 10,000 boxes made partly from Colonial and partly from imported timber last year. They were not altogether unsatisfactory. The Colonial timber was fairly satisfactory, but nothing like the quality or evenness of the imported stuff.

7950. Do you contend that even if they make it from the imported timber they cannot give the finish?—*Mr. Meyers*: That is our experience.

Mr. Arton.] I think they could get over that difficulty in using imported timber; it is a matter of machinery.

7951. Would these remarks apply to boxes made for other things than the export of fruit, such as soap and candle boxes?—*Mr. Meyers*: No, because they are not so particular about the finish and appearance of the boxes. This is only the best selected fruit for the best London market, and we want something suitable. Our wrappings and wool are of the best, and the boxes must suit.

7952. Suppose you sent the best fruit in a worse box?—*Mr. Arton*: It would seriously affect the value.

7953. You contend that the box plays a very important factor in the exportation of fruit?—Certainly it does.

7954. I might tell you there is no impost on wood wool; it comes in free. Have you used wood wool manufactured in this country?—Yes.

7955. What was your experience?—It was hopeless powdery, filthy stuff; I will not use any more.

7956. You objected to the price?—Not the price, but the quality of the stuff. I was satisfied with the price at the time I bought it, but I objected to the quality.

7957. Is it essential that you should have very fine wood wool in the packing of the more delicate fruit?—Yes, it is essential that it should be good wood wool. This stuff was powdery, like sawdust.

7958. Could you tell us whether the Government has notified your association that within a certain period all fruit carried on the Colonial railways must be in boxes instead of baskets?—We were notified to that effect at our meeting last Tuesday.

7959. Will you tell us what the notification was?—*Mr. Meyers*: That after the season 1907-08—the coming season—they would cease to carry baskets under any consideration. We do not fall in with the Government's views, because the basket-making is a Colonial industry, and there is a lot of money invested in it, and we think it should be supported.

7960. And if the Government insist on carrying that out?—There will be an enormous quantity of boxes wanted.

7961. Is the export of fruit in the colonies as great as the export of fruit oversea?—It is.

7962. Where does the fruit go in South Africa?—We have markets over the whole of South Africa.

7963. The Paarl Farmers' Association say in clause 2 that if the industry is to be established here expensive and suitable machinery will have to be imported. Is it your contention that the present machinery is not adaptable or not suitable for the finishing off of the good fruit boxes? *Mr. Arton*: It is our contention that there is very little machinery, if any, which is absolutely up-to-date in the Colony, and if we once get the machinery over here on the footing of the 15 per cent. we will have very great difficulty in ever getting that duty removed, and the idea is to get the 15 per cent. off boxwood before the machinery is imported.

7964. I know you are big exporters. Will you tell the Commission whether the incidence of this tax on shooks falls on the producer— the farmer— or the consumer?—*Mr. Meyers*: Entirely on the farmer. We buy c.i.f. Cape Town generally, and we simply have to pay that money ourselves.

7965. Then you make a statement in clause 5 that it is absolutely impossible to compete with the imported article in quality or in price without further protection. Do you mean to say that, notwithstanding the 15 per cent. protection, you still get your imported boxes cheaper than the Colonial article?—*Mr. Arton*: We still have to import; we get them cheaper,

7966. Do you import the boxes simply out of sentiment, because you are prejudiced against the Colonial article, or for what reason?—We get them cheaper. It is purely a matter of the price and quality.

Mr. Meyers.] I got a quotation from every merchant in Cape Town this year. We got the Commercial Agent to get them. I also got them from all the firms in the Colony. I had to import. The imported price was 15s. 6d. against 27s. 6d. for the Colonial.

7967. Do you mean to say that for 100 boxes, supposing they are of the same specifications, you have to pay 15s. 6d. for the imported and 27s. 6d. for the local proluction?—*Mr. Meyers*: Yes. I might say that this same firm now is quoting nearly half the price, but that firm knows very well we are already stocked and do not want to buy now.

7968. Do you mean to say they are making special quotations to you for fruit boxes, knowing that you do not require them?—Certainly, I do make that assertion—knowing that we have already got our stock. We have to get it a considerable time before the season is on.

7969. Do you, as a large grower of fruit, import your shooks long before the time for picking?—We have to be sure of having our stock, otherwise we have had to pay very high prices in the actual fruit season.

7970. You prepare yourselves; you do not wait till the last moment?—No. Generally we give our orders eight or ten months before the season.

7971. Is it your contention that this quotation, which is at present submitted is fictitious quotation?—It is my belief they know we will want to buy very little, if any.

7972. Do you contend that the quotation will rise again?—Yes, because it is the actual firm which quoted £13 15s. per thousand, and is now quoting £8 10s.

Mr. Arton.] When we wanted to buy the boxes this firm was quoting us quite a high figure, which we could not afford to touch, and, naturally, about the time of indenting we indented for all our stuff, and we indented for the boxes we required for an average crop of fruit. As it now turns out, there was a very short crop of fruit right through, and we have all got our boxes for an average crop, and on top of that this firm puts in another quotation cheaper than anything which has ever been imported into the Colony.

Mr. Meyers.] In fact this quotation is evidence that there is no protection required, because it is much below the price of the imported without duty. At this price this firm would get all the orders from all the fruit-growers in the Colony— if this price was maintained.

7973. You are quite satisfied that they would get all the orders in the Colony?—*Mr. Meyers*: You could put on 100 per cent., and we would not care; they would have every order.

7974. You do not recommend the enforcement of all fruit being sent in the Colony in boxes?—No, I do not think so. The willow-growing and basket-making is a Colonial industry.

7975. Is the material the baskets are made of grown in the Colony?—Yes, it is now, to a certain extent, and it might be increased. There is a chance of an industry in that, and it is a pure Colonial industry, because the stuff for the baskets —the willows—is grown here.

7976. Is there a large number of people employed in that?—They are making a lot at Tokai now.

7977. You need not confine yourself to boxes, because our reference embraces more than that. Is there any other thing in your fruit industry which you think is a grievance?—We differ on different points, but I do not think we have anything to complain of.

7978. It has been submitted to us that a duty should be levied on imported fresh fruit. Do you support that?— I do not.

Mr. Arton.) I should support a small duty on fresh fruit.

7979. What would you call a small duty?—*Mr. Arton*: ½d. to 1d. a pound.

7980. Could you give us any reason why that duty should be imposed?—We could supply our own market, at the present time, with the cold storage facilities we have now.

7981. From your experience, would you say the production of fruit is going to increase considerably in the Cape Colony in the near future?—It is naturally bound to increase, from the quantity of trees which have been planted and are not bearing yet. An enormous quantity of trees have been planted, which are not yet bearing, but of which there will be some more bearing each year—every year a few more.

7982. Are the new trees coming into bearing in excess of the number of trees dying a natural death from inanition? Twenty or thirty times over.

7983. Have you any evidence with regard to fertilisers employed in the fruit industry? *Mr. Meyers*: I think they should be carried at as low a rate as possible, because the lower the rate the greater the production farther away from town.

7984. Would you apply that only to imported fertilisers, or also to fertilisers made in the Colony?— There are very few fertilisers made in the Colony.

7985. You would call kraal manure a fertiliser made in the Colony?—That is not an artificial fertiliser; that is natural. We are quite satisfied with the rate on kraal manures, which is low enough. You might protect the bone-crushing industry by a higher rate on imported bones.

7986. Are you perfectly satisfied with the railway rates on fruit?—Personally I am quite satisfied, as far as the Colony railways are concerned. The C.S.A.R. rates are high.

7987. Are you satisfied with the arrangements made for cold storage for conveying your fruit? *Mr. Arton*: There are many improvements to be made, both in the ordinary fruit cars and the cold storage cars.

7988. It is not so much the cold storage of fruit from your place to the Docks. I had more particularly in my mind cold storage for fruit sent to Kimberley and Johannesburg? *Mr. Meyers*: There is no proper provision for that.

7989. Is the fruit very much affected by not being in cold storage? I do not think so, if it is packed in a proper condition. We have a complaint about the dirtiness of the trucks.

7990. Are you perfectly satisfied with the arrangements now made at the Docks for cold storing the fruit before sending it off? They have done a great deal for us, but, of course, their capacity is insufficient for us now, and we are obliged to make arrangements for outside companies to take in the overflow from the Docks.

7991. Do you think the cold storage on the boats will be sufficient for the fruit this year? I think so. We shall have to use the intermediates. There is a possibility during the height of the grape season that some may be shut out.

7992. *Mr. Scott.*] With regard to wood wool, you said there was no duty on it?—*Mr. Meyers*: Yes.

7993. But in your statement you say there is 15 per cent.?—That was an error of our secretary.

7994. Are you aware there are large quantities of wood wool being produced in Cape Town? Yes. I had samples submitted to me, and I was rather put out that I was paying so much for the imported wood wool, because I see the Government price for wood wool is £8 10s. a ton, and I am paying something like £12.

7995. You are actually paying more for your imported wood wool?—Yes.

7996. You have a grievance against the Colonial-made article, because it is cheap? The grievance is that I would not use it if it was £4 a ton. The colour is bad, and it is hard and harsh, and if you put it on peaches it would mark them. That is a difficulty which could be got over if the colour were improved. It is only a matter of machines. If I could get it equally good I should buy all of it from the Colonial market. We simply go where it suits our pockets best.

7997. When did you buy the wood wool locally?—This year the wood wool the Government were sending out.

7998. Is this made locally or imported? It is the Government contract wood wool. Whether it is made locally, or from local timber or not, I do not know. I would not use it under any consideration. It is all right for packing bricks, but not fruit.

7999. Are you aware there are several kinds of wood wool made?—I suppose ten or fifteen different kinds.

8000. There is a wood wool made for packing delicate fruit?—Yes.

8001. Have you tried to purchase any of that locally?—No, I have not.

8002. Would it surprise you to hear that a number of farmers recently have expressed their gratification at getting wood wool made locally?—It would please me to hear it. I would buy it myself if I could get it equal to the imported.

8003. You could get it cheaper by 50 per cent.?—But the sample is not to be compared; it is not suitable for fruit at all.

8004. Would you mind handing in to the Commission a sample of the wood wool you are paying £12 a ton for?—Yes.

8005. If equally good machinery is used for the making of wood wool in Cape Town, will it not have the same result as the imported wood wool?—It should be, if they use equally good white wood for making it.

8006. Are you not aware that the box producers are importing large quantities of wood suitable for box making?—Yes; that is what I contend. They will be obliged to do it; they cannot use the Colonial timber.

8007. Recently there have been large shipments of wood for box making. Are you aware of that?—I am not aware of it, but I naturally come to the conclusion that there must be, even to supply the Government's contract.

8008. That is being supplied by a local firm?—Yes.

8009. Have you any idea how long it takes to arrange for the importing of wood for box making?—No, I have not. I suppose it must be something like the time we have to take to arrange for our boxes—that is, a matter of ten months before we want them.

8010. So the Colonial maker of the boxes has to have notice some months ahead before he can supply your wants?—Yes.

8011. Have you ever tried to give him these facilities to make your boxes?—I wanted to get them from the Colonial manufacturer this last year if I possibly could. The machinery I used to get the quotations was the Commercial Agent. I got prices from all the Cape Town firms, with the exception of one firm, which could not quote at that date, but could quote later on. That was in May. I compared them—putting the duty on the imported—and even with the duty I could not buy of the Colonial manufacturer. I know I am giving evidence against what I want. I am giving evidence which should advise the Commission to put 30 per cent. on. But it is a fact that I could not buy in Cape Town even with the 15 per cent. to compete with the imported article.

8012. That was through the Commercial Agent?—Yes, but I had letters from the firms.

8013. It is some time ago since the Commercial Agent was removed?—This was at the end of April. Some of the same firms are now quoting only about 60 per cent.

8014. Since then there have been large shipments of timber coming into the country?—We have been advised in placing our box orders that the price of boxes has gone up, and, therefore, we concluded that the price of timber had gone up, and naturally would have expected higher quotations from the local firms. We must place our orders in May at the latest.

8015. The Colonial maker could not make your boxes if he had not sufficient timber here at the time, but the conditions will be altered now if there is sufficient timber in the market. You are very particular about the quality of the timber for box making. Would timber from any other part of the world be suitable for box making for the fruit?—I am not well up in what timber should be like. I have seen wood from America which would be suitable—of a very white, satiny appearance—but whether that could compete in price with the Norway wood I do not know.

8016. As a matter of fact, you could get excellent wood from Canada, New Zealand, Norway and Sweden?—We want wood which will bear being cut to a thickness of three-sixteenths, and it has to be a good wood, free from all knots, and sweet and so on.

8017. Free from knots?—We want it free from knots.

8018. Are you using boxes which are free from knots?—Small ones, but no large ones, and the grain is all straight.

8019. You are using Norwegian white wood?—It is free from turpentine.

8020. I suppose the Canadian spruce is equally the same class of timber?—I do not know, but I know you can get a good box from America.

8021. Coming to Cape poplar, you said it would not hold the nails?—*Mr. Arton*: I said it would not take them; you could not put boxes together—in any quantity, that is. If you are very careful you can make one box, but where you have to put them through a nailing machine, it is altogether unsatisfactory.

8022. As far as my experience goes, the poplar will hold the nails better than any of the imported wood?—It will hold them all right when they are in, but as a rule the wood splits in getting them there.

8023. There are no knots in the Cape poplar. I do not advocate using the Cape poplar, because it is being used for other purposes. It is non-odourous. It is not exactly white, but of a whitish-yellow colour, and there are no knots in it?—*Mr. Meyers*: No.

Mr. Arton: The supply would run out in two or three years, I suppose.

8024. We ought to encourage the planting of poplar, because in a few years hence you will have great difficulty in getting boxwood. The supplies are getting exhausted?—*Mr. Meyers*: I do not think they would advocate using Cape poplar for boxwood, because they have so many other purposes to use it for.

8025. The Natal fruit growers use their Natal wattle for box making. It is much harder than our Cape poplar?—I was trying trays made from Cape poplar, and when exposed to the sun they were twisted in all directions.

8026. Probably because the wood was cut in the wrong season. I do not think you are right in saying that the poplar is a bad colour, because it is a white wood?—I saw a sample of a poplar box at the last meeting of the Association. It was very nice wood, but the colour was against it.

8027. You said it could not be cut so thin?—I said the poplar warped if cut thin. Our contention is that everything could be done the same as the imported box if they used imported timber, but then I say it is not a Colonial industry.

8028. You might apply that to a number of industries—milling, for instance?—Our great point is, we feel we are being taxed as a Colonial industry to support another Colonial industry, and we do not think one brother should be taxed to support the other—when we are the poor brother too.

8029. How much does the tax amount to?—I heard one firm say they pay £300 tax on their boxes.

8030. How much of that £300 worth do they export?—The greater part of it.

8031. You tell us your fruit exporters' association export 150,000 boxes.

8032. What would the tax on that amount to?—It is a matter of figures. The whole income from the boxes does not amount to much, but so few of us have to pay it; that is the hardship.

8033. That is a question, because, as a matter of fact, did not the individual farmer get his boxes cheaper last year than ever he got them?—I think so, but we do not want any tax on our industry at the present time. We are a young industry just starting. The Government are helping us barring this matter—the steamship companies are helping us, and also the Harbour Board.

8034. Probably, if you have patience, the local producer will help you?—*Mr. Arton*: The objection is, we have to import our boxes still, and yet pay the duty.

8035. Would you mind giving me the prices at which you can import boxes?—At the present time?

8036. Yes?—I can give you the quotations. I will not say they are absolutely the cheapest; they are the cheapest I got.

8037. What kind of box?—Plums, peaches, pears and double-layer pear boxes.

8038. Have you a small grape box?—No; I do not touch grapes.

8039. I have a few of the sizes of the boxes here. Take plum boxes?—*Mr. Meyers*: 2¼ deep.

8040. Three inches and four inches and various sizes? *Mr. Arton*: 2½.

8041. That is an apricot box? It is 18 x 12 x 2½?—Yes.

8042. Give us the price of that box f.o.b. in Gothenburg, Sweden? I always buy c.i.f. in Cape Town.

Mr. Meyers: The price I bought at this year was 16s. 3d. per hundred c.i.f. Cape Town.

8043. Did that include all charges?—No. I have to pay clearing and duty.

8044. On that you would have dock dues. How much is that? I really do not know. I think 21 per cent. on top of this would cover everything—clearing, dock dues and rent.

8045. Your boxes would cost you in the neighbourhood of £10?—And against that the local quotation was £14 15s. at the time I placed that order.

8046. Can you tell me the Government contract for that box? That same box, 2½d. per box; that is what they charge the farmer, and I suppose they charge no profit.

Mr. Arton.] He can buy from twenty boxes upwards at that price.

8047. As a matter of fact, the Government price is £10 8s. 4d. a thousand?—*Mr. Meyers*: Yes.

8048. There is practically no difference?—Ours is about £9 16s. That Government wood is imported stuff; it is imported shooks. They bought about the same time as I did.

8049. Not imported shooks. I understand the firm is making them. That is one of the conditions?—But not of Colonial timber.

8050. No. Now, with regard to machinery again, have you seen the machinery which is used in the Colony?—No. I understood it was good to-day, that is, it gives a smooth saw. Some growers buy these boxes in preference to the planed, because there is something like 5s. difference in the price.

8051. The wood is so cut that it does not require to be planed?—That is what I understand.

8052. So the machinery is even better in the Colony than across the water?—No. They have had the smooth saw for the last two years. We have a smooth-sawn box from Norway which most of us considered did not require planing, and I suppose they would be up-to-date and have the same here. I do not say they would not do the same if they imported the timber; my contention is that they must import the timber. We contend all you are doing is simply cutting the wood. We are paying a duty to support the people cutting the wood, which means very little money distributed in labour.

8053. As a matter of fact, you have told us that you can get the box and wood wool cheaper now?—The boxes are very much dearer. All the local quotations I got when we were buying were very much higher.

8054. Have you made any attempt to place the orders direct with the local firms?—We have tried every time to see whether we could deal with the local firms before placing the orders abroad.

8055. Have you given them the option of an order ten months ahead?—In April—at the same time as the Norwegian firm.

8056. Do you want the duty off the boxes?—We consider our industry should not be taxed in this country.

8057. Do you consider it should be taken off all boxes?—*Mr. Arton*: Yes.

8058. Still you advocate a duty on fresh and dried fruit?—*Mr. Meyers*: I do not. It is a matter on which there is very divided opinion. We discussed the matter at a meeting of the Horticultural Board some time ago, and we came eventually to the conclusion that we would rather see the fresh fruit come in free, and we had certain reasons for that.

8059. Have you any idea of the number of men you are supporting for box-making?—*Mr. Meyers*: I should say twelve to turn out the requirements of the whole Colony. I know in Norway it is done with very little labour indeed. Of course we are unskilled. It is just as natural for a man to turn out boxes in Norway as it is for a nigger to turn over soil here. It is an industry which is not natural to this country.

8060. Is not the object of this Commission to try to encourage a larger population?—The extra population would be so small for so large an expense that it would not pan out.

8061. As a matter of fact, you are quite out in saying twelve men could cut all the boxes required in the country; that is almost an absurd answer. I will come to cold storage. Can you suggest any better means of getting refrigerating cars for the conveyance of your fruit?—At the present time fresh fruit requires so little cold storage that there is practically none used.

8062. For the export trade?—None of it goes in refrigerating cars; it is put in the ordinary cars and conveyed to the Docks cold storage.

8063. Will you fruit growers require the use of the cold storage much in town?—Certainly more.

8064. That is for the storing of your fruit?—Yes.

8065. So you are likely, as you increase in production, to use these storages to advantage?—Yes.

8066. *Mr. Pyott.*] Your point is to have the duty on boxwood removed?—*Mr. Meyers*: Yes, we have applied for that purpose.

8067. You tell us a box 18 x 12 x 2½ costs you 16s. 3d. c.i.f.?—Yes.

8067. Would you mind telling us what a box of plums that size will realise in the London market on an average?—*Mr. Arton*: 3s. 6d. to 4s.

8069. And what would be the expenses in sending that box from Paarl to the London market?—*Mr. Meyers*: It works out at about 1s. 9½d.

8070. Which gives a profit of 2s. 2½d. for your fruit?—That 1s. 9½d. is the cost of picking, packing, freight, commission agents, and so on. It does not allow anything for producing.

8071. Tell me what the producer gets out of the 4s.—That is a very difficult thing to do, because you cannot get at the exact price it costs to produce the thing.

8072. I want to know what you get in return for producing it?—*Mr. Arton*: It costs about 1s. 11½d. for everything, leaving about 2s. 0½d. for the fruit.

8073. What duty do you pay on that single box to send it Home? On a half peach box it is about ¼d. a box?—Yes.

8074. I think you said this duty of 15 per cent. will kill your industry?—It is a tax on our industry. It is a heavier tax than people imagine. I say there is a large competition in the imported fruit case, and the prices are cut fine, which is of great advantage to our industry, and it would be a great disadvantage to the fruit exporter to kill this import trade. We want that competition to remain. I contend that it would kill the import trade.

8075. Your point is in this country there is no room for anyone else?—No. I say let every one come. I am a free-trader.

8076. You do not think there is any possibility of the man sawing the wood consuming your fruit?—A certain part of it, but ours is an export trade, and I think it is a recognised principle in all countries that where you have a thing to export it should be packed in bond, and if that is not done the principle should be adhered to that we should not be taxed.

8077. Do you know the request of the Constantia fruit growers?—*Mr. Meyers*: Yes, I have been a member of it.

8078. Would you be surprised to hear that they ask us not to take the duty off fruit boxes?—Farmers differ in their opinions.

8079. What is the difference between the fruit growers at the Paarl and those at Constantia?—There is a difference of opinion. They might suggest a duty on fresh fruit. I do not.

8080. You are labouring under a disability as compared with the fruit growers at Constantia?—No, under the same conditions.

8081. I suppose you would be surprised to hear that they ask for the duty not to be taken off?—I am surprised to hear it.

8082. Would it surprise you to hear that Mr. Shepherd gave evidence yesterday and he is getting his boxes made in the Colony at cheaper prices than he can import?—We can get them cheaper at the present time. That is because this particular firm has one quotation for when we want to buy and another for when we do not want to buy.

8083. There is not a possibility he has not the timber?—I will place my order now for next year at those prices—that is for delivery next November.

8084. Would it not be cheaper for you to have your boxes made in this country to save carrying over from season to season?—Certainly. There are great advantages if we can get them satisfactorily. We would raise no objection to the duty if we could buy on this quotation.

8085. I speak as a big user of boxes, and we find we get our boxes in Port Elizabeth to-day cheaper than we can import. I cannot understand why the fruit growers here cannot have the same facilities.—Why cannot we get the offers? We want to buy. It looks peculiar that we should have a lower offer than any boxes have been made at just at the time when this Commission is sitting.

8086. *Mr. Harlow.*] You tell us you have a big export fruit trade?—*Mr. Arton*: Not a big export trade.

8087. What proportion of your fruit do you export to what you grow?—It is very difficult to say. Personally we export about 50 or 60 per cent. Taking it all round, I should say 60 per cent. of our stuff goes out of the country. I am speaking from a private point of view—my own stuff. In regard to the general run of stuff certainly not more than 25 per cent. goes out of the country.

8088. What becomes of the other 75 per cent.?—It is distributed over the Colony in various ways—jams, dried fruits, and fresh fruits; it is distributed all over South Africa.

8089. You say this 15 per cent. is a direct tax on the farmer?—I most decidedly do.

8090. What other tax has the farmer got?—*Mr. Meyers*: We are only taking the question of the tax on boxwood.

8091. At what rates do you get your fruit carried to the coast?—Since this new tariff, I believe it is ¾d. per ton per mile.

8092. Does that pay the Railway?—No. I would not mind paying more for the short distances.

8093. But you still object to paying the 15 per cent. on boxes?—Yes. The principle is wrong.

Mr. Arton.] It is an injustice.

8094. Do you send any fruit to Norway and Sweden, where your boxes are made?—*Mr. Arton*: Indirectly.

8095. Will you explain that?—It is consigned by our agents in London to any market in the world. It goes to America, any amount to Germany, Italy, and everywhere else. It depends where our agent finds the best market.

8096. Still you only export about 25 per cent. of your fruit?—Roughly speaking.

8097. Of course a great deal of it remains in the London market?—Yes.

8098. Your Norway and Sweden trade is not much of your trade in proportion to what you pay them?—Practically nothing.

8099. In reference to this basket trade, you mentioned that the baskets were being made at Tokai?—*Mr. Meyers*: Yes.

8100. I presume that is by convict labour?—By the industrial boys, I suppose—not the confirmed grown-up convicts. We like to teach the boys. They have made a speciality of vine-grafting, and when those boys work on the farms afterwards they are skilled labourers, and we can set them grafting vines on our farms. We like to see them taught trades, because they are useful to us afterwards. We often have to take convicts for labourers.

8101. You would not advocate their being taught basket-making and so forth to the other men's children, who keep themselves respectable?—No; I would have them all taught to become respectable citizens, and to have a trade at their finger ends, so that they will be qualified to earn their own living.

8102. What about the poor man bringing his children up respectably?—We would not object to their being taught; we would like to see everyone taught a trade.

8103. How long have you been exporting fruit?—I have been doing it for 13 years.

8104. Does that cover the whole of the time your Association has been exporting fruit?—The Exporters' Association was not in existence then. You may say that that is from the commencement of the export trade. It has not been on a commercial basis until the last few years.

8105. Having your industry at heart, have you done anything in the way of planting timber for box-making?—*Mr. Arton*: I have planted in some acres since 1897. We understand now it is absolutely unsuitable. It was planted with the idea of using it.

8106. What kind of timber is it?—I planted Pinus pinaster.

8107. What size are the trees now?—From one to fourteen feet high.

8108. I suppose you are not prepared to modify your suggestions in any shape or form regarding the 15 per cent. duty?—No. We look upon it as an absolute impost. We are a legitimate industry, and we are in our infancy, and we look upon it as the premier industry, over and above box-making. If a box is imported into this country, it is imported to put some Colonial manufacture or produce of some description into. The stuff must be manufactured or produced before it can be put in the box. First of all put the industry on its legs before you tack leeches on to it. We are not in a position to stand the duty on boxwood of 15 per cent., and at the same time place our orders abroad. Where does the advantage come in? We buy in the best and cheapest market, which is abroad to-day.

Mr. Meyers.] And we have to pay 15 per cent. more than we used to pay.

8109. Do you not think you are asking a little too much? There are other industries besides farming springing up?—*Mr. Meyers*: It is a question of taxing the industry. You do not tax Colonial industries; I think this Commission is formed to relieve them in the way of protecting them.

8110. And also to give revenue?—We are not asking for protection; we are asking against other industries being protected at our expense; we want relief from that.

8111. You have no hesitation in advocating another 1d. a pound on imported fruit?—I have, most certainly.

Mr. Arton: I said ½d. a pound.

Mr. Meyers: We are giving our individual opinions. It is nothing to do with our association. The Horticultural Board threshed it out, and there was a very strong position taken up on both sides. Some years ago the whole of the retail fruit trade here was in the hands of the Malays, and gradually it got into the hands of a better class of people with better shops. We came to the conclusion that we supplied the market for six or eight months in the year and that these people must live the rest of the year, and if this fruit was taxed and they could not live the rest of the year they would shut up, and the business would go back into the hands of the Malays. That was one reason. Another thing is that the people out here get a taste for eating fruit, and if their taste is kept up all the year through and they can buy at a reasonable price, when our fruit comes in they buy it. We therefore thought it would be an advantage to support the fruit coming in free, because it supported the better class of shopkeepers selling the fruit, and we sold our fruit when it came in. That was when I was a member of the Horticultural Board. That opinion may have altered since with them, but it is my opinion.

8112. Do you think you can supply the wants of the community all the year round?—*Mr. Meyers*: Much more than we could, on account of the cold storage, but I do not think we can supply all the year round.

8113. *Mr. Kayser.*] You said, in reply to Dr. Viljoen, that your objection to this duty was because the cost fell directly on the farmer?—Yes.

8114. You also said that your reason for making use of the imported boxes was that you got a better price in London when packed in a better box?—Yes, because of the better appearance.

8115. You got a better price because of the imported box?—Yes. We have always used the imported box.

8116. Your objection to the Colonial box was because you would probably get a lower price on account of its appearance?—Yes. Anyone gets a better price for a thing with a presentable appearance.

8117. That being the case, the consumer pays for the duty on the imported box? —It is rather a roundabout way of making that out, because we got the same price when the duty was not on and we were using the same box.

8118. You say when the duty was not on you got the same price. You have also said, in reply to certain questions, that you are to-day buying your boxes cheaper than before the duty was put on?—Last year, but the prices are up again.

Mr. Arton: We pay the duty and get the same price in London as before we paid the duty.

8119. With regard to the price of boxes, you gave us the quotation c.i.f. Cape Town, and you very fairly told us the extra cost was 21 per cent. The quotation you gave was 16s. 3d., and that with the other charges makes a cost on the imported box of 19s. 8d. as against what in the Colony?—*Mr. Meyers*: 20s. 10d.

8120. Even now, with the duty of 15 per cent., you are importing your boxes 5 per cent. cheaper?—Yes, but we do not want that 5 per cent. put on on that account.

8121. My main point is that the duty runs into something like ¼d. a box. Every inhabitant of the State necessarily contributes to the revenue of the State?—The farmers included.

8122. Therefore the small tax of ¼d. a box on fruit is not prohibitive so far as your industry is concerned?—Yes.

8123. And you contribute that towards the revenue of the State?—Yes, and we employ labour.

8124. Do you seriously press it?—We are strongly opposed to it, and personally I do not think we should pay for it. It is a matter of principle as well.

8125. As a large exporter of fruit, you consider the contribution of ¼d. a box you make to the Customs of the country is unfair taxation on you?—Until we are in a better position to pay. That is my personal opinion. I think in the near future, with the encouragement we are having all round, we could have land taxes and everything, but we are not looking forward to it.

8126. If I am not mistaken, I saw a Government Notice in which they stated that from the 1st December they would only accept baskets provided with sticks and fruit in boxes at the low rate?—Yes, that is at the present time.

8127. But they would accept them otherwise, and charge a higher rate?—Yes.

8128. The reason being that baskets supplied with sticks can be stacked in the trucks and the trucks used to greater advantage?—Yes.

Mr. Arton: Supposing you stack baskets on top of one another you can only use half the truck, as against boxes.

Mr. Meyers: They suggest that they should not carry baskets at all after the 1908 season.

8129. You will be forced then to make use of boxes?—Yes.

8130. That is one of the reasons for your asking for the duty to be removed?—Yes; all the wood cannot be produced here.

Rudolph Cloete and *Willem Hendrik Lategan*, Fruit Growers and Exporters, representing the Constantia Fruit Growers' Association, examined, submitted the following statement:—

We consider proposals to reduce the present duties on wood, wool, etc., undesirable because,

(*a*) That certain firms are placing themselves in a position to produce these articles here and are importing seasoned wood pending the maturing of the Colonial already purchased.

(*b*) Development of the fruit industry would not be impeded by the legitimate protection of Colonial box factories.

(*c*) The certainty that poplar wood, which is easily grown in the Colony, could be extensively used.

In this connection we suggest that the attention of the Forest Department, of this Colony, be drawn to the necessity of growing this and other kinds of useful wood.

(*d*) We consider that this can be permanently established independently of the advantage at present derived from 15 per cent. duty.

We think that such a portion of imported raw material, as is necessary to support embryo industries, should have preferential treatment as such manufacture on the clear understanding that such preference is only accorded pending the production or the maturing of the Colonial article.

JAMS, CANNED FRUITS AND VEGETABLES.

We consider that as these articles can all be cheaply produced here a further almost prohibitive duty be imposed.

(*a*) These industries are permanently established but have been suffering from competition of imported articles.

(*b*) We do not anticipate an increased cost to consumer. There are at present, during the mid-season, large quantities of fruit and vegetables going to waste and which will be absorbed by the local factories if greater protection is given them.

NOTE.—Generally regarding the question of imported raw material in connection with the above industries, we have not sufficient knowledge of the quantity of sugar grown in South Africa or of the potentialities of tin mining and manufacture to deal in detail with this matter but would respectfully draw the attention of the commission to this side of the question.

WINES, SPIRITS AND VINEGAR.

We consider that the present duty on wines and spirits is sufficient but would suggest an increase in the duty on the chemicals used in the manufacture of vinegar, also on the imported article itself. The amendment would lead to the establishment of a vinegar industry, would reduce the cost of vinegar, would give the consumer a purer article and would be an outlet for much of the inferior wines now adulterated and marketed in competition with purer and superior wines. The loss to the revenue would be more than equalised by the indirect advantage to the wine industry. We consider that Colonial wines, spirits and vinegar should be allowed S.A.P. and not treated under 3rd class goods rate as at present. We consider that a bounty should be paid on all wines and spirits exported over sea, *i.e.*, outside South Africa.

30 PER CENT. PREFERENCE ON WINE CASKS.

We consider that pending the eventual manufacture in South Africa of maturing casks, wine making machinery, bottles, etc., that the 3 per cent. preference duty now levied on these articles, removed unless they are manufactured within the British Empire.

The question as to whether this great industry can be promoted by other means than that of Customs tariff can be answered by a definite affirmative. The application of a strong adulteration act to both Colonial and imported wines, spirits and vinegar is the main rock on which the industry stands.

We consider that the excise on Colonial spirits should be reduced and the administration of the Act in its various irksome formalities should be reconsidered.

GLASS WARE.

We recommend *re* imported glass ware, bottles, jars for preserves, etc.; that as we have the best raw material possible, for the production of these articles, that young men, sons of artisans, be sent to Europe to qualify in the process of their manufacture. The same would apply to cooperage and other industries. We are of opinion bounties should be given to encourage the establishment of any industries when the materials necessary, to its being successfully established, are obtained in the Colony. New industries would thus be encouraged with the natural sequence that work would be found for those now in the country unemployed and others would necessarily come in. The producers market would be enlarged.

BEERS, ETC.

The Adulteration Act should be made more strict. A heavier duty should be placed on glucose, etc., imported for the manufacture of cheap and nasty beers. This is a wine producing country and people must learn, if they drink at all, to consume wines, which if our recommendations are carried out will produce in quantity and of superior quality to that found on the markets in the past at greatly reduced cost to the consumer.

8131. *The Chairman.*] Do you wish to make any further statement besides this written statement, or just to be questioned on these points?—*Mr. Cloete*: I do not wish to make any further statement.

8132. *Dr. Viljoen.*] Of course there is no duty on wood wool?—No; that is a mistake in the statement.

8133. You represent the Constantia Fruit Growers' Association?—Yes, and Mr. Murray should have been with us.

8134. You are both large growers of fruit and grapes?—Yes.

8135. You export and also send over the rail?—Yes.

8136. It has been suggested here by interested exporters that the present duty of 15 per cent. on shooks should be taken off. Are you in favour of that?—I do not think there is any necessity; I think we can stand it.

8137. You wish to retain it?—I think we can stand it.

8138. Have you bought Colonial made fruit boxes?—No, I have not.

Mr. Lategan: I have not as yet, but I was offered some.

8139. Why did you not support the Colonial industry?—*Mr. Lategan*: This season I am going to buy here.

8140. Have you seen any Colonial made boxes?—Yes, I have seen a sample.

8141. Are you satisfied with it?—Yes, I think it will do.

8142. Are you satisfied with the price, as compared with the imported article?—Yes, the price is about the same as the imported article.

8143. Have you seen the Colonial made wood wool?—Yes.

8144. Are you satisfied with the quality?—No. What I saw was not up to the mark, but I have heard they have a better quality since.

8145. You mention here that poplar wood is easily grown in the Colony, and that that could be used for shooks. Is that your opinion?—Yes.

8146. Is it based on experience?—We will have to gain experience.

8147. You are simply making a theoretical statement; you do not know whether it is so? As a matter of fact we believe the poplar wood will suit us.

Mr. Cloete: The fact we are going on is that Messrs. W. and G. Scott, timber merchants, have bought the whole of a forest of this wood, they tell us, with the intention of cutting it up for fruit boxes.

8148. Beyond that you do not know whether it is suitable wood?—*Mr. Cloete*: Not by experience.

8149. We have had evidence this morning that the wood is not suitable for fruit boxes. I am not referring to the other boxes, but the more delicate boxes. When you make a statement that poplar wood is suitable for your boxes, it is theoretical?—*Mr. Lategan*: No. We believe it must be seasoned, and that then it is absolutely fit for box-making.

8150. Have you seen a fruit box made from poplar wood?—Yes, but, as I have said, we must have the seasoned wood. If it is seasoned, we believe the poplar is good wood for the purpose. That is a fact; we fully believe that as exporters of fruit.

8151. You make the statement, although you have not used the box?—No. I distinctly said the poplar wood seasoned will be good wood for fruit boxes.

8152. That is not the evidence we have had?—I know it.

8153. Are you interested in jam-making?—*Mr. Cloete*: Only as fruit growers.

8154. Indirectly?—Yes.

8155. Is any of your fruit sold for the jam factories?—I have not directly sold, but have sold through Malays and those who purchase in large quantities.

8156. You know a large quantity of the discarded fruit is sent to the jam factories—fruit you cannot export, that is?—Yes—quite good fruit though.

8157. Are you in favour of giving the jam effective protection?—Certainly.

8158. There has been a suggestion to put 1d. a pound on tomatoes, instead of the present 10 per cent. *ad valorem* duty. Would you be in favour of that? Do you grow tomatoes?—Extensively.

8159. Is it not a fact that you can grow enormous quantities of tomatoes in the temperate zone?—Unlimited—wherever you can get the water.

8160. Would you be in favour of protection to the tomato industry??—Certainly.

8161. You are satisfied with the protection on wines and spirits, but ask for a better protection on vinegar. Do you know what the present duty is on vinegar?—No. Unfortunately we were summoned here in great haste, and had not time to get particulars together.

8162. I will put it to you in this way. Acetic acid is at present imported at the rate of 3s. per gallon—essential spirits of vinegar—and this is adulterated, in order to make vinegar for household purposes, 21 times. You put 21 gallons of water to one of acetic acid, and that makes vinegar for household purposes?—That brings it down to about 1d. a bottle.

8163. It brings it down to about 2d. a gallon. Do you know anything about vinegar making? Not beyond the ordinary farmer's experience.

8164. To your knowledge could the vinegar be made effectively in this country?—We use our own, and I think all farmers use nothing else, and want nothing else.

8165. Do you think there will be a large field for this?—I think for those who cannot make first-class wines it is absolutely the only chance for them. I think it would pay them.

8166. It would be a great assistance to the wine farmer?—Tremendous.

8167. Have you computed what is the quantity that would be required to make vinegar to supply all the requirements of the country?—No, we have made no calculations.

8168. I might tell you it is equal to about 8,000 leaguers of wine. It has been suggested in another part of the Colony—and I see you make reference to the protection on vinegar—that we should raise the acetic acid from 3s. to 12s. to make it compete with the ordinary vinegar. Would that suit the wine farmer?—*Mr. Lategan*: No. We are in favour of that prohibitive duty on the imported vinegar as well as spirits.

8169. Your answer is that you want it prohibitive?—Yes. It is an error to say the protection on wine and spirits is sufficient. We think there should be a prohibitive duty on imported spirits and wine as well as on vinegar. That was the contention when the thing was drawn up.

8170. You mean we should prohibit the importation of wine into the country?—Yes, most decidedly, and also spirits.

8171. Whisky, brandy, gin?—Yes, and vinegar.

Mr. Cloete: I do not associate myself entirely with those views; we do not want that entirely.

8172. What duty do you propose?—*Mr. Lategan*: I am in favour of a prohibitive duty on whisky, gin, spirits of wine and vinegar.

8173. Are you prepared to give any reasons for this?—I think we can produce enough in the Colony, especially vinegar.

8174. Do you think you can produce a whisky here as good as the imported article?—I will not say whisky.

8175. You mean you could produce a spirit here that is as good as and as wholesome as whisky?—Exactly.

8176. What would you suggest, Mr. Cloete?—*Mr. Cloete*: I could not give you a figure absolutely. We were generally only asking as much protection as possible for the industry.

8177. At present the duty on vinegar in wood is 7d. an imperial gallon, and in glass 1s. 1d., with a rebate from British Colonies of 1d.?—Yes.

8178. Is that satisfactory? Do you want to raise that?—That is actual vinegar?

8179. Yes?—I think it might be raised.

8180. That gives 3d. a bottle in glass and a little more than 1d. a bottle in wood?—I can give you some idea. We retail vinegar at 3d. a bottle, and we consider that a very good price.

8181. You are quite satisfied to get 3d. a bottle for it?—Quite. That is the normal price of ordinary farm vinegar.

8182. Of course, the duty on acetic acid is only 3s. per gallon, and you can dilute it 21 times. Would you be in favour of raising acetic acid up to the level of the vinegar?—Distinctly.

8183. You say you want a better protection on wine. Do you know what the present duty on wine is? The duty on sparkling wine is 12s. 6d. per imperial gallon, which gives 2s. 1d. duty on a bottle. You are selling your sparkling wine for 2s. a bottle retail, are you not?—We are not making sparkling wine. That is champagne.

8184. What would you call the Drakenstein wine?—A still wine.

8185. The duty on still wine is: not exceeding 20 per cent. of proof spirit, 4s. a gallon—which is 8d. a bottle—and not exceeding 50 per cent., 1s. 4d.?—If they could make it 1s. and 2s.

8186. You think it should be 1s. for not exceeding 20 per cent. per bottle?—That will be 6s. a gallon. You want to raise the present duty 50 per cent.?—Yes.

8187. The duty on whisky, say, is 19s. a gallon, which is about 3s. a bottle?—Yes, but is that whisky which is capable of being mixed with silent spirit, and made into further whisky? If they can import good whisky, it can be mixed with further silent whisky, and sold as ordinary whisky. I do not say it is done, but it could be done.

8188. Anyhow, you would be in favour of any of the Colonies contracting in this Customs Union having the right to raise the duty on spirits and wines in their own area?—No, I do not think so.

8189. You know that at present we are doing it. The 6s. countervailing duty which was put on by the House of Assembly a couple of years ago is really a duty which is independent of the neighbouring Colonies. Would you be in favour of a Colony having the power to do that?—On the imported article, certainly, if they wish to.

8190. You mention here that you want wine carried on the railways as South African produce?—Yes.

8191. Are you referring to Colonial wine in bulk, or do you want an ordinary case of wine carried at that rate?—That is what we were requested to ask for—that an ordinary box of wine should go at the South African produce rate.

8192. Surely you will make some distinction between sending an ordinary box of wine and sending a large consignment in bulk—that is, in casks?—*Mr. Lategan*: We wish wines to be carried at the same rate whether in small quantities or bulk.

Mr. Cloete: I have not much knowledge of that personally, but I should say it would apply to one or two cases: it would apply to a consignment of 40 or 50 cases or a hogshead.

8193. I will put the question to you, do you want to make any differentiation between wine carried in bulk and wine carried in an ordinary case?—*Mr. Cloete*: No.

8194. Your contention is that it should all be carried at the South African produce rate?—Yes.

8195. I see you advocate a bounty on wines and spirits exported oversea?—Yes.

8196. Has your association gone into this matter?—No; certain members have, and that is their opinion.

8197. You are not in a position to tell us what bounty you want?—No.

8198. What do you mean by 30 per cent. preference on wine casks?—It is 3 per cent.

8199. What is the position to-day?—The position as I understand it—I am open to correction—is that British goods have a preference of 3 per cent. over foreign goods, and as we cannot get these goods in England we want that 3 per cent. deducted, or the British goods raised to that.

8200. All wine casks at present imported into the country must come from sources outside of Great Britain. That is what you mean?—Yes.

8201. If you import a wine cask at present you are obliged to get it from France?—Exactly.

8202. And there you have to pay the 3 per cent. preference?—Yes.

8203. Do you consider that a direct impost on the wine farmer?—It is.

8204. It is an article which is not at present manufactured in Great Britain or any of the Colonies, as far as you know?—I do not think so.

8205. Your contention is that these staves for casks should come in duty free?—Yes.

8206. And your reason for this is that they cannot possibly be made in Great Britain?—Yes. The wine farmer pays that extra advantage to Great Britain.

8207. Does your objection also apply to bottles and things like that?—The bulk of these farmers who are bottling their wine get their bottles either from Germany or France. It applies to viticultural machinery. That is a very heavy item.

8208. Is there any other way by which you could foster the wine and brandy and vinegar industry in this country?—In my humble opinion, the chief thing that will put it on its legs is a very stringent Adulteration Act.

8209. You would recommend the introduction into Parliament of a very stringent Adulteration Act applied to wine, vinegar and spirits?—Yes.

8210. What do you mean by saying the excise on Colonial spirits should be reduced? Will you tell us what reduction you want?—3s. would give us a great deal of help.

8211. You want it reduced by 50 per cent.?—Yes.

8212. What are the "irksome formalities" connected with the Excise Act?—I will give an example. I have made a leaguer of Van der Hum. I had to buy that brandy at Oudtshoorn. I had to pay duty for it on the spot before I got it out to my farm. I have had it there for two years, and have matured it, and now want to dispose of it. Of course I can only dispose of it through an agent who has a wholesale licence; but for each single case that I want to remove from there I have to write to the Customs Department in Cape Town in order to get a permit for it. I cannot move a case without that, and though they trust me with a sort of passbook for the stuff that I manufacture on my own farm—any brandy I want to sell I can write the railway to accept—yet they will not trust me in a matter of this kind. I have to get an order from the Controller of Excise for the right to move this.

8213. You do not have to pay more duty?—No, I have paid that, but they will not pay me a rebate when I send it to England. Then the regulations are so complicated that all the farmers come to two or three farmers in Constantia who have taken the trouble to make themselves acquainted with the regulations; they are very difficult for the ordinary farmer.

8214. Have you represented this to the Excise Department?—Two or three times. They are willing to give redress, but the law is such that they cannot give it to me.

8215. I see you recommend that the State should send young men of the Colony—sons of artizans—to Europe to acquire the knowledge of glass-making and blowing, and cooperies, and similar industries. Do you think that would assist the industry?—I certainly think so.

8216. Do not we make good casks in the country?—They are no good for maturing wine.

8217. After all the beautiful wines you make in Constantia in local casks?—The new cask made in the Cape is no good for maturing wine in for two or three years, whereas the French imported cask has been made from such preserved wood that you can immediately put your year or two year old wine in and it is all right.

8218. Does that refer to the quality of the wood?—Yes.

8219. If you send the young man over there he cannot improve the wood here? —Of course not, but that does not apply to the glass—if the glass can be manufactured here—nor to hogsheads and smaller casks of that kind.

8220. You say you are in favour of bounties being given to establish cooperies and glass manufactories. You say bounties should be given to establish any industry when the materials necessary to their being successfully established are obtainable in the Colony?—That was Mr. Murray's point, and I did not follow that.

Mr. Lategan: If you leave the 15 per cent. on boxwood as it is at present there is sufficient encouragement for the industry, and then of course there is no necessity for a bounty.

8221. But in the absence of any specific protection you advocate bounties?—*Mr. Lategan*: Quite so.

8222. What do you consider Colonial industry?—Anything you can produce or make in this country.

8223. Would you consider that when a thing is made in this country absolutely all the material being imported from the other side of the water and put together here, that that is a Colonial industry?—To some extent.

8224. Would you put an article like that on the same footing as one where all the raw material is produced in the country?—Certainly not.

8225. You would put an industry of an article produced in this country of raw material imported from oversea and put together here in one class; you would protect that?—Yes.

8226. Then you have another class where the raw material is grown in the country and the manufacture also done here?—I would have a prohibitive duty on that.

8227. In the absence of a prohibitive duty on that—because we are not all prohibitionists in the country—you would recommend a higher duty for the article? —That would not do; you must do one thing or the other. Take liquors and spirits. You have a very heavy duty, but it is proved that it is not sufficiently high.

8228. Supposing you cannot get a prohibitive duty on an article? What do you call prohibition—State prohibition, by passing an Act that such and such an article cannot be introduced into the country? Is that what you mean by prohibition?—Certainly.

8229. You would not call 300 per cent. duty on a wood box prohibition?—No.

Mr. Cloete: That is my opinion. The first point you mention is what I call a "bastard" industry, and that should only be supported and helped if you have sure proof that the raw material can within a reasonable time be produced in the country itself. Otherwise it is a bastard industry, and I, personally, would see no use in giving it any protection whatever. That is the first case, where the raw material is imported and the article manufactured here. I would not give that protection unless it were to tide over a time—supposing you had the wood here to make the boxes and it was only a question of waiting a year or two to get it ready.

8230. If you have strong reason to believe that in reasonable time the article will be produced here?—Yes.

8231. Where the raw material is absolutely being produced in the country and the work being done here, would you give that a bigger protection?—Certainly.

8232. But you would not go to the extent of prohibition?—No.

8233. Have you any knowledge of malt?—No.

8234. You cannot give evidence on malt for beer?—No.

8235. Nor you, Mr. Lategan?—*Mr. Lategan*: No.

8236. *Mr. Harlow.*] In reference to your fruit boxes, you say you are quite prepared to allow the 15 per cent. to remain on as at present?—*Mr. Cloete*: Yes.

8237. You are under the impression that the boxes will eventually be made from South African wood?—Yes.

8238. In the event of those boxes not being satisfactory are you still prepared to allow that duty to remain?—No; I should like to see it taken off.

8239. Why?—Because the industry of making the boxes would then be making them from the imported wood, and then it would be scarcely a Colonial industry, and I do not see any necessity for protecting that.

8240. But it is to put Colonial fruit into?—Yes. I certainly think at present the Colonial fruit can stand that; it is the one thing we can get a good price.

8241. Do you mind telling the Commission what percentage of fruit you send out of the country from Constantia?—I could not tell you.

8242. Do you send out 20 per cent. of your product?—The thing is rather in its infancy still, but we do not send 20 per cent. of our product.

8243. I suppose you get fairly good prices for what you do send?—Very good prices if it is good stuff, and properly packed.

8244. In reference to your wines, spirits and vinegar, Mr. Lategan, you said you would recommend a prohibitive duty on whisky and so forth coming into the country?—*Mr. Lategan*: Yes.

8245. Do you think that would be advisable?—Yes.

8246. But you know the taste for Colonial spirits and so forth is practically an acquired taste?—It all depends on the quality of the spirit.

8247. You know you do not make such a palatable spirit in South Africa as they make oversea?—I do not quite agree; I think we do.

8248. You are Colonial and have been brought up to it?—No; that is not the reason.

8249. It may be better medicinally, but it is not so palatable?—It is a matter of taste.

8250. You would recommend the Government introducing a strong Adulteration Bill?—Yes.

8251. In reference to your casks, I think you said the reason was the wood was better matured in France than England?—*Mr. Cloete*: You cannot get the wood in England.

8252. What class of wood is it?—The French oak.

8253. And English oak does not suit the purpose?—We understand not.

8254. You have no proof positive to that effect?—Except that we understand no one in the world is using it.

8255. If you were told some English oak was sent to France and made into casks?—We would not be surprised at all.

8256. In reference to this Adulteration Act, you mention glucose being used for cheap and nasty beers. You say you know nothing of malt?—Yes.

8257. But you still ask for this Adulteration Act to prevent glucose from coming into the country?—No, I do not think it is that. I do not know much about it myself, but I understand the general idea amongst us wine farmers was that there is a considerable amount of adulteration in beer, and that was owing to the use of glucose, and therefore we ask for a heavier duty on glucose to prevent that.

8258. That would be embodied in your Adulteration Act?—Yes.

8259. Referring to the vinegar question, is it a fact that you produce as good a vinegar as the imported pure malt vinegar?—*Mr. Lategan*: It is one of the articles we can produce better than the imported.

8260. Do you think with this duty on you could supply the whole of South Africa?—Decidedly.

8261. Do you export any vinegar now?—I do not think so.

8262. If you do not export any, how will you get over the fact of what is imported?—Because nine-tenths of the farmers only getting £1 10s. per leaguer for their wine would find that it paid them £2 or £3 a leaguer to turn it into vinegar at once. I am talking of wine made in certain parts of the country where they get four or five leaguers from a thousand grape vines. They can afford to make wine and sell it at £2 a leaguer, and it would certainly pay a vinegar merchant to turn it into vinegar.

8263. Do you still assert, in the event of this duty being put on, that it would not raise the cost to the consumer?—Of course if there were not some start made on a large scale to turn this into vinegar it would at first, because each farmer makes a little vinegar for his own use and those about him, but if the wine for which he only gets 30s. a leaguer, were turned into vinegar it would pay him. We could not at present. It does not take very long to turn it into vinegar though.

8264. At the same time, if you got the vinegar sold at that price, do you not think the farmer would be reluctant to reduce his price to what it is at the present moment?—*Mr. Cloete*: He does not sell any now.

Mr. Lategan: There is the competition. As soon as the farmer asks too much for this produce there is competition, and the consequence is the consumer will never suffer.

8265. *Mr. Tod*: Your association recommends an increased duty on jams?—*Mr. Lategan*: Yes.

8266. Do you not consider the present duty is sufficient?—No, I do not.

8267. What do you recommend?—I really do not quite know the present duty.

8268. The duty is 2½d. a pound and I may tell you the jam manufacturers have said they are content with the present duties?—The farmer does not, because last year we had wagon-loads of fruits and could not sell them at the factory, and we contend the duty is not sufficient, because the ripe fruit which should be turned into pulp is thrown to the pigs.

Mr. Cloete: I am certain if I gave one peach to my pigs last year I gave thirty or forty thousand.

8269. If those are your views, will you state what additional duty you think there should be?—*Mr. Lategan*: The duty must be raised to enable the grower to dispose of his ripe fruit.

8270. You have considered the aspect of the question of whether you have a sufficient market in this Colony for all your jam?—*Mr. Cloete*: No, but we think that would enable the jam manufacturer to take our surplus fruit, in having a larger market himself, instead of our absolutely throwing it away.

8271. Have you looked into the question of what jams are being imported into this country, to see the position the Colonial jam is really occupying against the imported? We understand the Colonial jam is being sold at 3d. a pound less than the imported now, the competition amongst the jam manufacturers is so keen. Do you think a duty would help you?—*Mr. Lategan*: Decidedly.

Mr. Cloete: We suggested it originally purely from a selfish point of view.

8272. Of course you are aware there are many jams the fruits of which we do not grow in this country?—*Mr. Cloete*: Very few.

Mr. Lategan: Will you name them?

8273. Red currants and gooseberries?—*Mr. Lategan*: There is a lot of Cape gooseberries.

8274. Your argument is that if people will not eat our Cape jams they must not eat English gooseberry jam, for instance?—We maintain that whatever could be encouraged in this Colony should be. We had to throw to the pigs fruit which was good for jam.

8275. What duty would you recommend?—There should be a higher duty.

8276. You are not prepared to suggest an amount?—No.

8277. Are you affected by the preferential railway rates? You know you have a lower rate for Colonial manufactures and produce over the railways as against imported goods, and there is a considerable agitation for the abolition of such preferences. What is your view?—*Mr. Cloete*: We find the railway rates very killing in some things.

8278. You have studied the question from the point of view of the Colonial rate versus the imported?—No.

8279. *Mr. Pyott.*] Coming back to the jam question, have you ever considered that we have a very limited market in South Africa for the consumption of jams?—I do not think it is very small—not in Africa.

8280. When I tell you that to-day the jam factories are producing four-fifths of the requirements of the whole of South Africa, you will see we are pretty well covering the whole thing?—I think there is a big opening for Colonial jam for export, as there is none to touch it in the world.

8281. Would not a rebate on the sugar, the same as with the Australian jams, help you in any way?—I certainly think it would.

8282. Of course you must bear in mind that the Colonial jams are 50 per cent. cheaper than your imported jams, but still to a certain extent you have not the fruit the people have been accustomed to eat; that is the difficulty we find. The suggestion was brought up yesterday that we should allow the pulp of red and black currants, gooseberries and raspberries to come in duty free. How would that affect you.?—We should oppose that.

8283. Because if they got those fruits they would not require your Colonial-grown fruits?—Yes.

8284. You would be in favour of a small duty on wood wool, to allow it to be manufactured here?—*Mr. Lategan*: Certainly, if it can be manufactured here.

8285. And you are quite in favour of the present duty on shooks being maintained?—Directly it may make a small difference, but indirectly it will pay us; we must sacrifice directly to get returns indirectly.

8286. I think we got it in evidence in another part of the Colony that Colonial vinegar was not suitable for preserving purposes. Is that correct?—Absolutely not.

8287. It is quite as suitable as any other vinegar which can be got?—Quite.

8288. I think the colour is the point?—We can make it any colour; we can make it pure white.

8289. There should be no difficulty in that?—Not the least.

Mr. Cloete: It depends on how the wine is made. In regard to the preservative qualities of the vinegar, judging by ordinary household experiences in South Africa, the housewife in our parts uses nothing but her own vinegar made on the farm, and keeps her pickles for a year or two.

8290. You could give them white vinegar as easily as brown?—*Mr. Cloete*: Yes.

8291. What duty do you suggest on vinegar?—*Mr. Lategan*: Prohibitive—perhaps 100 per cent. I am in favour of stopping it entirely.

Mr. Cloete: I could not make any practical suggestion.

8292. Would a duty of 25 per cent. be sufficient?—*Mr. Lategan*: No; I am in favour of a higher duty to stop it entirely if possible, because the Colonial made article is better.

8293. And you can produce sufficient for the requirements?—Yes.

8294. Is fruit of inferior quality sent to the jam factories?—No. As a rule we send over-ripe fruit.

Dr. Viljoen, in answer to *Mr. Pyott*: In using the term "discarded fruit," in putting a previous question, I meant fruit which was not suitable for the export market.

8295. *Mr. Scott.*] As a matter of fact, there was an abundance of fruit last year, you tell us, which you could not dispose of. I presume you have sent the best fruit to the jam factories?—*Mr. Cloete*: There was no demand from the factories.

8296. Fruit of very good quality is sent to the jam factories?—Yes, it is.

8297. With regard to importing fruit in pulp, a jam manufacturer suggested that certain fruits which you do not now produce in the Colony might be imported free of duty in pulp for a time, in order that he could supply a larger variety, and when the time came when you could produce those fruits, then the duty might be raised. There are certain fruits you do not produce, such as black currants, raspberries, and certain others?—There are very few we do not produce here.

8298. At any rate, it seems to me that it would assist you farmers. When the time comes they will be ready to give you orders for the larger supplies. Their contention is that it limits the market—the very thing you are complaining of. Would you be in favour of that for a time?—*Mr. Lategan*: No.

8299. Coming to the large maturing casks which are made of oak, I take it that this is merely a question of seasoning the wood. The cask could be made here?—Quite so.

8300. As a matter of fact, I think the oak is generally Australian oak, and it is merely a question of seasoning?—Yes.

8301. I think the local coopers could make the cask equally as well if they seasoned the timber?—Yes. With the seasoned wood we are in favour of having it made here.

8302. The Colonial oak will never be suitable for wine casks?—*Mr. Cloete*: We have no practical knowledge of that.

Mr. Lategan: If the wood is good we are absolutely in favour of having the cask made in the Colony.

8303. You made certain references to Cape poplar, and I think you have suggested that poplars should be planted?—*Mr. Lategan*: Yes.

8304. Have you any idea how long it takes to season the timber suitable for box-making?—No.

8305. Do you think Cape poplar would be suitable for butter boxes?—If it suits fruit it might suit butter too.

8306. There is no odour about the Cape poplar?—No.

8307. And no knots?—It depends on the trees.

8308. If properly seasoned you think it would be all right?—Yes.

8309. There is a duty of 19s. per gallon on whisky at present. Would you be in favour of still increasing that?—Certainly.

8310. You make a very good wine brandy, and I think if the people knew you produced such a good spirit there would not be the desire, perhaps, for these imported spirits?—I maintain that unless we have a prohibitive duty we will always have an over-production.

8311. I question if you will ever keep out the imported whisky unless you make a similar article here?—*Mr. Cloete*: You may know there have been attempts made—and I think very successfully—to turn a lot of the waste amount of dop brandy into a silent spirit to put with whisky, because you know the best possible whisky you could get in Cape Town would not contain 50 per cent. of best malt whisky, and it is made up with silent spirit of some kind. I know a man who has been trying to get a method of rectification of this bad dop into a silent wine spirit, which would be a perfectly healthy thing, without any flavour, and using good matured whisky and blending it here. That would allow the man who has the whisky taste to indulge it still.

8312. *The Chairman.*] Do you think it is necessary now to increase the duty on imported wines?—It was the general idea that we should ask for that. Personally, I could not give an opinion.

8313. You know at the last Conference the Transvaal wanted to reduce the duty on wines. They objected strongly to the preference given to Colonial wines. Considering that, would you press these points if you thought it would break up the Customs Union?—Certainly not.

8314. We had it brought before us in Kimberley that they objected to paying double rates on necessaries of life and allowing wines to go at these low rates, and you want them still lower. Do you not think that is a reasonable objection of the up-country towns?—That is so, but we want every help we can get, being that section of South Africa in absolutely the worst position of anybody to-day.

8315. Do you not think there is a good deal of preference given you at the present time?—It has not acted very favourably on us up to now.

8316. You can understand other parts of the Colony considering it a grievance? —Distinctly; I can understand their grievance.

8317. Do you think it would increase the sale of Colonial brandy if you reduced the Excise?—Yes.

8318. How would it increase it?—You have a big protection now. Do you think the people would drink more of it?—It would retail at a smaller price, naturally.

8319. I will give you an instance. Take a Colonial production like Van Riebeek Water. We believe it is sold at about 2½d. a bottle, and we have had to pay 1s. for it all over the Colony?—You have hit the actual nail on the head which affects us—that there is this awful difference of price between the producer and the consumer. If you can alter the methods of distribution which cause that, it will be a great help.

8320. *Mr. Harlow.*] In reference to red and black currants and raspberries, you say you would have the pulp of those shut out?—*Mr. Lategan*: Yes.

8321. Have you taken any steps towards producing those in the country?—No. We have always looked to the Government Experimental Farms to give us a start, but they have never done it.

8322. You would exclude them from coming into the country, but you do not produce them?—You will have to stop the imported article, and we can grow it here. Whatever we can grow I am in favour of stopping from being imported.

8323. You are not growing it and you want to stop it?—If you do not stop it you will never grow it here.

8324. *Mr. Pyott.*] You are growing a substitute to-day, are you not?—Yes.

Charles Beeton Heatlie, Farmer, again appeared to give evidence on behalf of the Horticultural Board, examined.

8325. *The Chairman.*] You gave evidence before us at Worcester. You now wish to make a further statement?—Yes. I have to-day been asked by the Horticultural Board to give evidence, and I think it would save considerable time to say that the evidence which I gave before would be entirely the same evidence which I would give for the Board. I would be glad if that evidence could be considered as representative of the Board also. The only thing I wish to add is some evidence on beer. Barley suitable for the brewers is largely grown in the Worcester district, and I believe that is about the best barley which the brewers get. There are many brewers in the country, but the growers of barley only know one—that is Ohlssons. They are the only buyers as far as we know of Colonial barley for brewing purposes. We think it would help us if the duty on malted grain were to be raised as the duty is at present the same as on raw barley, and also if a higher duty could be levied on any articles used in the manufacture of beer which can be grown in this country, or which are being used to-day as a substitute for articles which could be raised in the country.

8326. Will you name those articles?—Glucose and brewer's maize. I cannot say whether brewer's rice is an essential article, but that cannot be raised in the country.

8327. We have it in evidence that there is only one firm of brewers who can malt barley, but I understand they cannot use their plant because they cannot get barley suitable for their purpose in the Colony? I may only say that last year our district had about a quarter of the barley it has this year. Last year the brewers paid us something like 9s. a bag of 150 lbs. This year Ohlssons are paying 8s. per 150 lbs., and I think there is no scarcity of good barley—there being always much more than Ohlssons will always buy.

8328. *Dr. Viljoen.*] You are a farmer in the Worcester district?—Yes.

8329. And you tell us that good malting barley is grown there?—Yes.

8330. Is it not a fact that this barley can also be grown in the Robertson and Montagu districts and part of the Caledon district?—It could be grown all over those parts.

8331. In the warmer parts?—Yes, in any part of the country where they have not heavy dews or rainfall at the time of getting in the crop.

8332. The barley has been pronounced by Messrs. Ohlssons as good malting barley?—Yes.

8333. In fact they purchased it with that object?—Yes.

8334. What percentage of the barley you have produced this year will he buy? Will he buy the barley of your district?—No.

8335. He is actually giving you 6s. or 8s. whereas you got 9s. last year?—They paid 9s. and 9s. 6d. last year.

8336. Can you grow barley at 8s. profitably?—No, I would not say profitably.

8337. Do you know anything about the brewers here?—A little, not much.

8338. Could you tell the Commission how many breweries in the Cape Colony are in a position to make malt?—I know of only one—Ohlssons.

8339. Do you know whether Ohlssons' malting plant has been closed down?—I cannot give any information on that.

8340. You cannot tell me whether they are buying barley in the Worcester district now for malting purposes?—They are buying now and offering 8s. at present.

8341. And there is a large quantity of good barley?—Yes.

8342. So if any brewery man tells this Commission that he cannot get good barley for malting purposes he is making a statement which is not in accordance with fact? Certainly. I have seen many samples, and have never seen an imported barley to come up to what we supply to the breweries.

8343. You have travelled over the world?—Yes.

8344. Have you seen barley on the other side of the water?—No.

8345. You know what the import duty is on barley to-day?—Yes, 2s. per hundred pounds.

8346. And on malt?—The same as on barley.

8347. Are you satisfied with that arrangement?—No. I should say the duty on malt ought to be considerably raised so that the barley which is required by the brewers here, whether Colonial grown or imported, should be malted in this country.

8348. You mean the duty on malt should greatly exceed the duty on barley—the raw article?—Certainly.

8349. You do not know anything about the brewer's maize?—No, but I know they use that.

8350. Nor the glucose?—No.

8351. *Mr. Harlow.*] Does it pay you to grow barley at 9s. 6d. a bag?—It pays, but there is not a very great inducement for them to grow barley now at that, because if they grew it plentifully they might find, if they were to have a very large crop, that they could not get 6s. from the brewers, there being no competition.

8352. Supposing the duty were raised on barley so that you could get the price of 9s. 6d. a bag, would the farmer be satisfied with that?—Certainly, he would be well satisfied.

8353. Do you think the farmers could produce the whole of the barley required for malting purposes in this country?—Every bit of it.

8354. *Dr. Viljoen.*] You are satisfied with the duty on barley?—Yes.

8355. You want the duty raised on malt, so as to find a market for your barley grown here? Yes.

8356. *Mr. Harlow.*] You could get a sale for your barley if you had a duty on barley? I think so.

8357. You have sufficient to supply the whole Colony?—Yes. At present we only know one brewery buying our barley, and I take it that is so because the others get in the malted barley at the low rate of the barley.

8358. *The Chairman.*] What alteration do you want?—I think the malted barley should be at least double the ordinary barley both to protect the Colonial grower and because there is no necessity to import the malted barley; the stuff ought to be malted in this country.

8359. I must point out that in the evidence we had yesterday they wanted this malted barley reduced to 1s., because they said they could not get the barley in this country suitable. That was the evidence of a brewer yesterday. I have no doubt you have seen that in the papers? We have never heard of the Castle or any other company buying Colonial barley: they do not want it.

8360. *Dr. Viljoen.*] Do you know whether barley when malted gives a less weight than the barley?—I cannot say.

Harry Ernest Victor Pickstone, Fruit Grower and Packer, examined.

8361. *The Chairman.*] You are giving evidence on farming?—I wish to give evidence on the remission of the duty on boxwood, and the desirability of a duty on certain fresh fruits, also the desirability of a duty on canned vegetables.

8362. The first point is that you want the remission of the duty on fruit boxes?—Yes.

8363. On all boxes?—Yes.

8364. Do you wish to state any reasons for that?—I have a short statement here which I should like to read:—"Conflicting evidence has been given both in the East and West *re* Colonial sawn boxes. Much of this evidence has been given by small users of box material who can never have imported in quantity through any of the recognised sources of supply from whom the larger users draw their supplies, and thus their evidence has been of little value in elucidating the iniquity of this duty. Fruit growers require its withdrawal for the following reasons: 1. It is in no sense a Colonial industry, and never will become one: (*a*) because the material is all imported and is simply sawn here; (*b*) because there is no suitable Colonial timber procurable. Colonial pines are unsuited, poplars have been tried unsuccessfully, Eucalyptus is also unsuited; (*c*) because there is no suitable Colonial timber yet planted. 2. Quotations for box material by local makers have been found unreliable, and there is a fear amongst growers that lower rates than are possible to make profit are being fixed by makers in order to secure the retention of the duty. When this object has been attained, prices will be raised; as an instance, take W. and G. Scott's quotations, the first of August 8th, 1906." I might say here that this duty was fixed by the old Customs Convention of over two years ago, and I take it that when intending makers of the Colonial boxes secured the infliction of this duty they had looked at it from every person's point of view, and saw some prospect of encouraging the Colonial industry; and I therefore presume that when such firms make quotations to *bona fide* fruit growers they have gone thoroughly into the matter as regards prices. On August 8th, 1906, Messrs. Scott quoted for 3 in. boxes at the rate of £17 10s. per thousand. On November 25th, 1907—last month—they quoted £8 10s. per thousand for the same boxes—or over 100 per cent. less—and we fruit growers do not understand this quotation. To continue the reasons for the withdrawal of the duty: "3. The retention of the duty means to the farmers a tax on the rateable value of their fruit farming properties of 2d. in the £ when the farm is in full bearing. 4. Colonial farmers have been already disappointed as to the value of this sort of protection. In the matter of poplar for matches, as a case in point"—and this was after the last Customs Convention—"the Rosebank Company were offering only 3s. per tree for poplars 9 in. in diameter at 4 feet up. Such trees would necessarily be thirty years old." I would ask this Commission what there is in it to be offered 3s. per tree of thirty years old and upwards. That is the evidence I wish to give in regard to the remission of this duty. The contention of the manufacturers here is that they are importing this material at present from Europe awaiting the Colonial supply, which they feel is forthcoming. I would like to state definitely that there is no Colonial supply—none whatever. I speak as one knowing the country fairly well; and the supply of poplar timber in this country of sufficient thickness for making boxes is extremely small, and there is nothing in it from a farmer's point of view, and over and above that, from a manufacturer's point of view there is nothing in it. If it were possible to develop a legitimate Colonial industry as regards the making of box material out of Colonial wood, I should be the first to support it, but there is absolutely no chance to-day, and it becomes a direct tax on production. For the fruit farmer this last season it was a direct tax of 7½ per cent.—a profit tax of 7½ per cent.

8365. What do you mean—The duty we had to pay the Government amounted to a profit tax of 7½ per cent. My firm conduct their farming operations—as is generally known—in regard to fruit growing as well as any in this country. Therefore, to those not managing their affairs as well as we did the profits tax would be very much heavier; in fact I venture to say in some instances it amounts to a profits tax of 15 per cent. Mr. Scott, a member of the firm, is, I believe, a member of this Commission. I will make this plain statement. If Mr. Scott will hold to his quotation under date November 25, 1907, for ten years I will accept it, and I will give no evidence to this Commission against the reduction of this duty; I will allow the matter to be dropped.

8366. *Mr. Tod.*] You are satisfied with the Colonial box?—I have not seen the quality, but I take it the quality would be practically equal to the imported.

8367. You are not prepared to give any evidence in regard to the quality of the Colonial box?—In some cases it is reported on favourably, and in others unfavourably. I have no practical experience. I can assure this Commission that there is absolutely no chance of establishing this industry in the country. As a matter of fact, the main box supplies are drawn from Sweden and Norway, where they have unlimited forests. They have the sawmills at the sea, and load direct into the ships, and have some of the cheapest and most intelligent labour in the world together with the finest machinery, and I look upon it as absolutely hopeless to think of establishing this industry here.

8368. *The Chairman.*] You have nothing further in reference to boxes?—I speak for other fruit-growers as well as myself. I do not make the statement deliberately, but we feel that the manufacturers are making quotations which they will find they will be unable to hold to in the near future; and we feel confident that they will raise the price directly the tariff is fixed. If Cape Town firms guaranteed this price for ten years there would be very little evidence given against the retention of the duty. I have evidence to show that slightly lower quotations are obtainable, but I think the quotation of Messrs. Scott is very favourable.

8369. Is that as cheap as the imported box?—As cheap as my firm's quotations, but not as cheap as some of the others. It is a very reasonable price indeed. The next point is the duty of 2d. per pound on canned vegetables. I consider this is necessary for the following reasons: (*a*) It is impossible for canners to compete with the imported article on the small protection granted at present, viz., 15 per cent. *ad valorem.* (*b*) Canners will be helped, as at present the canneries can only run during the fruit season, whereas if vegetables are canned it will mean an additional three or four months' season. Every business man will understand me in regard to that—where you have to engage your manager and a considerable portion of the staff for a year for practically four months' work. It would be a help if they could can vegetables in addition to fruit, which is impossible at the present time. The price of canned vegetables here is 4s. per dozen, and the duty is 1d. practically ½d. a can—which is no protection at all. (*c*) Farmers cannot at present afford to grow peas, beans, tomatoes, asparagus, etc., which are very desirable side crops, because canners cannot afford to buy in bulk owing to the absence of reasonable protection. You will understand at the present time in the Western Province, where wine is so low—the staple industry—that it is highly desirable that farmers should be enabled to grow these side crops. If we had a duty of 2d. per pound on canned vegetables of all sorts a considerable amount of money would be circulated among the farmers, as the canners then would place contracts with them direct, and it would no doubt lead to considerable development in the canning of vegetables in this country, which is absolutely impossible at present with the very small protection which we enjoy.

8370. Can you can anything much besides tomatoes?—There are very few tomatoes canned. It is impossible to compete with canned tomatoes.

8371. Do you want 2d. a pound on tomatoes?—All round. With that there would be every inducement for canners to put up. As a matter of fact there would be no fear of the price being very materially raised, if raised at all—the retail price that is—because there must be a considerable margin of profit on the stuff at present. I feel it would not touch the consumers' pockets at all.

8372. The other States object strongly to protecting tomatoes. They say they should be produced here without any protection?—Let them try to do it.

8373. That was the objection at the last Conference, and they will object at this Conference?—That is my feeling.

8374. We are told by the canners of tomatoes that 1d. would be ample protection. You think 2d. is necessary?—I would like to see 2d., though 1d. is better than nothing. I would like to see uniform protection. Here we have only 2d. a pound duty on dried fruits, whereas the Federal Government in Australia increased the protection to 3d. a pound all round, but I am not giving evidence to ask for 3d. a pound on dried fruit.

8375. The next point is that of a duty on fresh fruit?—Yes. I consider a duty of 1d. a pound should be levied on hard fruits—that is to say apples and pears—and on citrus fruits—that is oranges and lemons. I would not put a duty on anything else. At present there is very little opportunity and inducement for farmers to cold store their fruits, and the cold storing of fruit is a large business in other countries. There is very little inducement here because shortly after the crop is harvested—apples and pears—and shortly after it would be cold stored the Australian crop comes in, and at such a price that it is practically impossible for the farmer to hold that fruit back to repay him for storing charges and increasing the length of the season.

8376. Are those all the points?—Yes.

8377. *Dr. Viljoen.*] You say you have no practical experience with the Colonial made boxwood?—No; I have not used any personally.

8378. Have you had any complaints—not this year so much as previous years—about the quality of the box wood?—I have had complaints, but cannot speak of them with authority. The Rhodes Fruit Farms are satisfied and others complain. I think the article is a fair one.

8379. You say you are quite prepared to withdraw all the evidence with reference to the box wood if you get a guarantee from these tenderers?—I am prepared to withdraw everything I have said.

8380. Are you prepared to give them all your support?—Yes.

8381. The term of ten years is rather long, because the next Customs Convention may not last that time, but say during the duration of the next Customs Convention?—I am prepared, provided the article is suitable.

8382. Of equal quality to the imported article?—Yes; then I am prepared to withdraw everything.

8383. What makes you think the quotation is not genuine?—Because I cannot understand such a quotation. In fixing a Customs Convention and getting a certain duty on a certain article, naturally a business firm, prior to getting the duty, have looked at it from every point of view, and if they give a *bona-fide* quotation of £17 10s. per thousand, and then fourteen months afterwards make a *bona-fide* quotation of £8 10s., I cannot understand how it is possible such a thing could happen. To me it does not look like good faith.

8384. You are not in a position to say whether it is not due to the lowering of the price of wood for instance?—I am certain it is not. The industry in Sweden is too old established for anything of that sort; I am positive on that point.

8385. I would not have put this question if you had not made the statement. Do you really fear that this quotation which is submitted at present is a fictitious one?—I would not like to say that, but I feel it is impossible to hold to that quotation; I do not feel it is a business quotation.

8386. You mean to say that after this next Customs Convention is fixed you think the price will go up again?—I do anticipate that.

8387. Of course you are not referring to boxes generally? You are confining your remarks to boxes for fruit?—Fruit boxes and wine cases—all boxes, certainly.

8388. Of course you know there is a very big difference between the fruit box and, we will say, a rough thing like a candle or wine box?—The wine box should not be a rough thing.

8389. Take a box like that for Van Riebeek Water, or a candle box or soap box?—The wine box in this country is by no means a rough thing; it is in every respect of the same quality as a fruit box.

8390. Have you ever seen fruit boxes made from poplar wood?—I have not seen them, but I have received correspondence from Thesen, showing it was a failure after considerable experience.

8391. He is a man of considerable experience?—I know nothing of him except that he has been running sawmills for a certain number of years.

8392. He is a man of repute here?—I take it so.

8393. You made a statement that you were offered 3s. per full-grown poplar tree of thirty years old?—Yes.

8394. Was that by one of the agents in Cape Town?—The agent, I believe, of the Rosebank Match Factory.

8395. So when people tell us that a ten-year-old poplar tree is worth a sovereign they are telling us things which are not correct compared with the offers made to you?—Absolutely untrue; in fact I would like to sell a thousand at 10s. I refused to sacrifice thirty-year-old poplar trees for 3s., and no self-respecting farmer would do it; he cannot afford to do it.

8396. Supposing you get your ground at £1 per morgen, can you grow poplar trees and keep them for thirty years for 3s. each?—It cannot be done.

8397. Do you anticipate a similar thing will happen with this poplar wood for box making?—I am afraid of it.

8398. Have you had a long experience with reference to the growing of vegetables and tomatoes?—I have had a general experience, extending over about seventeen years.

8399. Do tomatoes grow all right in your district?—Yes, they grow right through the Western Province.

8400. Profusely?—Yes.

8401. Do you think we could grow quite sufficient for the requirements of the country?—For canning?

8402. I am talking of canning?—Absolutely; I have no doubt about it.

8403. Is it your opinion that a mild duty of 1d. would be an impetus to starting a canning industry?—It would be a very great help.

8404. I might tell you that the evidence which has been submitted to us has been very conflicting with reference to a duty on fresh fruit. We have had witnesses here supporting a duty, and others again—very good witnesses, and men who take a keen interest in it—objecting to any. I am talking of the evidence from fruit growers. So you might be more explicit why you want a protective duty on fresh fruit?—I only want a protective duty on hard fruit. I will tell you the reason plainly. I want to develop the hard fruit business, and instead of having the apples sold by the farmers, as at present—on the trees or the entire crop at the tail end of the season—I want to make it worth while for the farmer to pick the fruit properly and put it in cold storage; I want him to be in the position of running his business on right lines.

8405. You apply this protection to apples and all pears?—Of course, it would not affect Bon Chretiens; I apply it to storing fruits.

8406. And citrus fruits?—Yes.

8407. When does the fresh fruit arrive here from Australia?—I think in August; I am not sure.

8408. Is their season not the same as ours?—It is the same as ours. I think the early varieties come to Johannesburg in June, but June, July August and September are the chief months.

8409. Of course, it takes a month to come over here?—Yes.

8410. If it was put in cold storage there in May it would arrive here in June; it is very likely kept in cold storage at the other side?—I think it is taken right from the orchards. I know it is in Johannesburg before it is in Cape Town.

8411. You are referring now to Australian fruit?—Yes.

8412. Their season must be a little later?—It is a little.

8413. On a large continent the seasons would vary, the same as they do here?—The Australian fruit arrives in London about one month after our Cape fruit in the same varieties.

8414. Has the fruit industry developed much within the last five or six years?—It has developed tremendously.

8415. The production of our fruit is getting largely in excess of the possible local consumption?—No, not in apples and pears.

8416. I am talking generally of the fruit?—I would hardly say that. I would say we exporters are keeping the ex-African markets open with an eye to the future export trade.

8417. Have you tried storing any of our apples and storing pears in the cold storages here?—Not this year; but we did last year.

8418. Was the result satisfactory—not from a commercial but a quality point point of view?—Absolutely satisfactory.

8419. They kept all right?—Yes.

8420. You think it will be a big opening for the cold storages which are at present empty?—I think it will be their salvation, not now but later on—as well as that of the farmers.

8421. When you have the things in cold storage you have to compete with the fruit coming from other parts of the world?—Yes. The fruit comes in from Australia directly after being packed from the orchards, with no charges and low freight, and that comes in direct conflict with our storing charge. I understand from my friends that their information leads them to believe that £40,000 to £50,000 worth of apples alone are imported into the Customs Union per annum It is highly desirable that the farmers be encouraged to store their fruit instead of putting it on the markets and it getting into the hands of speculators.

8422. You cannot put all the fruit on the market at once; the production would be too much for the demand at the time?—Yes. I suppose it does not come within the scope of this Commission to talk about railway rates?

8423. Yes. Have you, as a fruit-grower, any other grievance you want to bring before us?—None in the world as far as I know.

8424. Have you any grievance against the railway?—I would like to mention this, that there is an idea of knocking on the head the Colonial preferential railway rate, and I would like to point out that the rates on the railways are at present exceptionally high in regard to certain agricultural products. For instance—I speak as chairman of the Western Province Preserving Company of Orchard Siding—the cost of landing a case of fruit in Johannesburg from Orchard is 4s. 1d., containing two dozen cans. The rate is equal to 2d. per can. In America, we are informed by our manager—who we find a very reliable man, and I believe the figures would bear verification—a case can be railed from San Francisco to New York for 20 cents for two dozen cans. That is 3,000 miles for 10d. That is equal to 5d. per dozen, or in other words, 5-12d. per can. The rate for 3,000 miles in America is 5-12d. per can, whereas the rate here for 1,250 miles is 2d. a can, and it is very difficult for us to develop our legitimate industries in the Western Province with these heavy through rates.

8425. You advocate the retention of the differentiation on the railway rates?—I do not know enough about it to speak with authority.

8426. Do you know the Colonial produce is carried over the railways now at a lower rate than the imported article?—Yes, I know that.

8427. Are not you in favour of retaining that?—I am in favour of a more favourable rate.

8428. You want a differentiation between the imported and the Colonial product rates on your railways?—Yes, I do.

8429. You do not say what it should be, but you want differentiation?—Certainly I do. I want a rate something like other countries have to develop their industries.

8430. Have you any complaint to make against the railway as to the conveyance of your fruit to the cold storage at the Docks?—I consider the railway people have behaved uncommonly well to us, and put themselves out of the way to assist us. I do not say we cannot find a complaint, but I am sure they do everything they can to assist the fruit-grower and the producer in every direction.

8431. In your opinion is there any necessity to have refrigerating cars on the railway?—I should say it is premature. Perhaps it is necessary for butter, which I do not know anything about; it may be necessary for butter, but for fruit I do not think it is time for them yet.

8432. After all, we must legislate for the benefit of the whole and not the few?—Yes.

8433. Let us take a supposititious case—from Swellendam. Do you think the more delicate fruit, like a peach, could be conveyed from Swellendam to the Docks without injury?—With regard to that, the export regulations practically compel the coming down to Cape Town of export fruit for cold storage. The steamship company and the Harbour Board have regulations that fruit must remain in cold storage for 48 hours prior to shipment, and if farmers from Swellendam send it down—for instance I will give an actual fact when this very question came up in regard to the Cape Orchard Co. They wished to store the fruit in their own cold store on the farm instead of in the Harbour Board cold storage. It was arranged that they did so provided the fruit came down in iced cars and the temperature at the Docks was the same as the Harbour Board cold storage; and I will say that when I made my original arrangement I overlooked the soft fruits. I think it is absolutely essential the soft fruits for export should be put in refrigerating cars.

8434. That refrigerating cars should be on the railways for long distances for delicate fruit?—Yes, for export.

8435. *Mr. Harlow.*] You said just now that this 15 per cent. duty on boxes is a direct tax on the farmer to the extent of 2d. in the £?—On the rateable value of the farm, yes.

8436. Will you tell us about what amount of fruit you exported last year?—My firm exported to London £1,975 worth—£2,000 worth you might call it—from the one farm.

8437. Do you mean to say that the 15 per cent. you paid on those boxes averaged 2d. in the £ on the rateable value of your farm; are you quite serious in that?—Yes, I am—on the rateable value of the farm, or 7½ per cent. profit tax, but I would rather have it on the rateable value of the farm, because it is more striking. I am certain it is. Other farmers are prepared to give the same evidence.

8438. You have a good sale for your fruit oversea?—Yes.

8439. And it pays you very well to send it over there?—I see what you are leading to, but I have been running my farm for eleven years, and during that time have not received 8 per cent. on my capital since I started, and I want to know whether any business man will conduct his business on those lines. I must get my profits to-day.

8440. Will you tell the Commission how much per ton per mile you are charged on your products on the railway?—The rate for fresh fruit is absolutely reasonable; I am not making any complaint about that. I am complaining about the rate on canned fruit.

8441. I took it you meant the whole of the fruit?—No, canned fruit only.

8442. In reference to canning vegetables, is it not possible for you in the Western Province to supply the up-country markets, like Kimberley, say, with vegetables?—We do send them asparagus from my farm.

8443. Say cabbage?—I think it is quite possible.

8444. But you do not do it at present?—I do not, but other farmers do round Eerste River and Cape Flats.

8445. As a matter of fact vegetables are very dear in Kimberley?—I know they paid us less for the asparagus than Cape Town. I really do not know whether they are dear.

8446. When we were in Kimberley a fortnight ago cabbages were selling as high as 9d. each, so when you ask for 2d. a pound duty on canned vegetables I certainly think you would have a complaint from them that they could not get vegetables without having to pay 2d. a pound extra?—I am absolutely certain it would not lead to that; I know it is essential that we have a protection on canned vegetables.

8447. Do you get any large orders for your fruit from the up-country markets—for such as tomatoes?—We do not grow tomatoes. We only grow asparagus and onions in the line of vegetables.

8448. There are other farmers out that way who do?—Yes. They simply consign to the market agents as far as I know.

8449. Do you know if there is any truth in the statement that a farmer in this district has received an order for 40 tons of tomatoes?—It is quite likely. I hope he has.

8450. With reference to the duty on fresh fruit, you say hard fruit. Could you differentiate between one class of pear and another or one class of apple and another?—I differentiate in saying fruits we are able to store; any technical man would know what that meant.

8451. Unfortunately the Customs people cannot bother with technical points like that? There would be so few you could not store that I would cover the lot.

8452. Can you supply the market?—I have planted 40,000 apple trees, which is a good instance of one individual, and I certainly say the country can supply the markets.

8453. In the last twelve months the imports have been reduced considerably?—Because times have been so bad here, and people cannot send stuff here like they did.

8454. Really without any duty on you would be able to control the markets here?—I do not think so if times got good in South Africa. I think it is that they are afraid to consign here on account of the depression.

8455. You do not think you would be able to supply the markets without the 1d. a pound put on for import?—I think it would secure the safety of the industry and assist the fruit industry generally to have that duty.

8456. With regard to oranges and lemons, there are seasons when they are very plentiful here, are there not?—Yes.

8457. Has anything been done by the farmers to take steps to preserve them for the time when they are not plentiful?—Oranges will not hold in good condition. The only thing the farmer can do is to plant late varieties, to prolong the season. Oranges will not hold up in storing.

8458. Why do you wish for 1d. a pound?—I particularly refer to lemons, but I include all citrus fruits. There are very few oranges imported, but there is a considerable number of lemons, in fact the market right through to-day is stocked with Italian oranges and lemons. If you prefer it I stick to lemons only.

8459. You said no fruits were stored last season?—No fresh fruits, you mean?

8460. You did not store?—I did not, but many others did. A great deal of fruit was stored last year.

8461. *Mr. Tod.*] In regard to the railway rates, I am inclined to think that what you really want is a low railway rate for canned fruit. It is not so much that you are dissatisfied and want a preference against the imported article?—You see the position is this. Here are markets 6,000 miles away. Although we are so close in this country we are really, from a railway point of view, so far away. Yes, that is what I want. I want a through rate on car-loads.

8462. You would not object to the imported canned fruits being carried at the same rate if you had a protective duty?—If we have sufficient protective duty we can knock out the imported canned fruits in five years to the last can. I have not spoken of a duty on canned fruits; it is canned vegetables I want the duty on.

8463. With regard to the railway rates on canned vegetables? If we have sufficient protection I would not consider the differential railway rates, provided we have cheap rates on bulk lots—carloads or ton lots.

8464. *Mr. Pyott.*] With regard to the canned fruit business, you have a tremendous difference to-day between imported and Colonial canned fruits over the railways?—I know there is a differential railway rate, but in spite of that the facts are as stated by me here. It costs us 2d. a can getting it up to Johannesburg.

8465. You are taking the comparison of the rate between California and New York as against Cape Town to Johannesburg?—Yes.

8466. Do you think that is a fair criterion? We have to reach our markets.

8467. We have not the population to run the railways on the same basis as in America. You would not have your goods carried over the railways at a loss to the Government? I do a large fruit tree business and supply trees all over the country carriage paid; and I believe in cheap rates on long distances.

8468. You are not complaining of imported canned fruits being carried over the railways to Johannesburg to your detriment?—No, I am not complaining about that: I am complaining about the expense of getting a Colonial grown article into the Colonial markets.

8469. I have the rate here from Cape Town to Kimberley. You are paying to-day 4s. 11½d. a hundred pounds on your canned fruits, whereas imported pay 11s. 0½d. That is a difference of ¾d. per pound, or 1½d. a can?—That is a very heavy protection.

8470. Can you, as fruit canners, forego that preferential rate?—Looking into the future, I hope our article is increasing quality to such an extent that we shall be able to oust the imported article within the next few years.

8471. With the protection you have to-day?—I could not quite say. As I explained, the Australian Federal Government have just increased the protection to 3d. a pound. I am not prepared to make a statement as to whether 2d. would hold good here; we may have to increase to 3d.

8472. What is your answer as to doing away with the preferential railway rate? The difference is ¾d. a pound, which is a difference of 1½d. a tin in Kimberley. Are you prepared to forego that preference? No, I would not be prepared.

8473. Unless you get further protection through the ports?—Yes, that is my feeling. I could not say exactly how it would work, but that is my feeling—that I would not be prepared.

8474. Coming back to the boxwood question, you say you exported a good deal of fruit last year to the tune of £2,000?—Yes.

8475. Could you tell us what you get on an average for a box of fruit? I gave that evidence before the Select Committee on Agricultureal Co-operation about 4s. I think. I will not be certain of my figures.

8476. What would be the cost of putting that on the London market from the time it left your farm?—It depends. We are buying peaches at 2d. apiece on the trees, taking all risks. That box will hold about 40 peaches, which is 80d. You cannot lay down a rule.

8477. I am not speaking of the cost. You get 4s. for the fruit sent to London. What is the expense incurred by you in putting it there and the return you get out of that 4s.?—As far as my firm is concerned, we made a good profit on it. I have not the figures here.

8478. Would it be 1s. 6d. or 2s. a box?—To London?

8479. Yes?—Far more than that.

8480. I am speaking of the single box you get 4s. for?—Far more than that.

8487. Is it 2s. 9d.?—I would like to send these figures.

8482. You get a return of more than 1s.?—Possibly.

8483. And you tell this Commission that the duty of 15 per cent. on boxes is going practically to give the fruit industry no chance?—Pardon me; I said it was a duty of 2d. in the £ on the rateable value of farm property.

8484. You are spending from 2s. 6d. to 2s. 9d. to send that box of fruit to London, in expenses, and yet you object to a duty of 15 per cent. on the box, which on the value of the box at 2d.—£8 10s. per thousand—is ¼d.?—It is a matter of principle. I object to supporting any Colonial industry that is not a legitimate one in any way at all. If the timber were grown out here I would be the first to support it through thick and thin. I absolutely object, on principle, to supporting any Colonial industry which is of such small value to this country as the making of boxes.

8485. You will not protect anything which has to import its raw material?—I say it should be within the last lines of protection. No, I would not be inclined to do so.

8486. You would not give any protection unless it was absolutely the produce of the soil?—I would not say that.

8487. Is there any possibility that the man who is sawing that box may be consuming the fruit, butter, eggs, and vegetables of the country?—It is a matter of principle; we differ on fundamental principles.

8488. You think there is no chance for the fruit industry as long as that 15 per cent. remains on?—I do not say that for a moment.

8489. I put down your words: "There is no chance for the fruit industry as long as that duty is retained"?—I must have made a mistake. That would have been a ridiculous thing to say; I do not remember saying that.

8490. You are aware the Constantia fruit growers do not want to take away the duty on boxwood?—The Constantia fruit growers, as far as I know them, know very little about the matter. Which of them uses box material? They mostly sell to the dealers. Cloete sells to the fruit dealers. I have heard since they gave that evidence, through some error, they are exceedingly disgusted that that evidence was given. I place no reliance on that evidence; I am astounded at it, and cannot understand it.

8491. *Mr. Scott.*] Do you represent the Western Province Fruit Growers' Association?—I have never heard of it.

8492. Do you represent that group? You know who I mean?—I do not represent any association. I am a member of the Exporters' Association.

8493. That is the Association I mean. Are you representing that body?—Not here to-day.

8494. Are you aware there was an explanation given about the prices you quoted to the Commission?—I am not aware of it.

8495. Would I be wrong in stating that an explanation was given?—I do not know. I have the whole of the correspondence here. The first quotation was August 8, 1906—15 months ago. I have a copy of the correspondence since that date.

8496. An explanation was given with regard to the prices to the members of the Western Province Association?—I am not a member of that. There is a note at the tail end of this letter giving the quotation. The letter reads, "We beg to thank you for your favour of the 3rd instant enclosing list of sizes of boxes which you use, and herewith we beg to quote you." Then there is the quotation, at the end of that, "The whole of the above prices are per thousand sets, and are nett f.o.r. our siding Salt River. We shall be glad if you will compare the above prices with the ones you are at present paying, and let us know if they are favourable. Awaiting the favour of your reply." That was addressed to me.

8497. Did you let the merchant know whether they were favourable or otherwise?—I do not think I did.

8498. As a matter of fact, at that time it was pointed out that this quotation could be considerably modified, on account of not knowing what the box would cost?—I simply have this correspondence here.

8499. About fifteen months ago was there any wood in the country suitable for box-making?—Do you mean Colonial grown?

8500. No, imported wood?—I do not know.

8501. At that time the maker of boxes had no suitable wood?—Surely it would be the time for the manufacturers of boxes to find what they could do it at when they secured this duty.

8502. As a matter of fact, have they not given you quotations very much below that?—They have given quotations which I am prepared to accept for the next ten years. What can I say fairer than that?

8503. Would you fix the price of your fruit for the next ten years?—Yes.

8504. And undertake to supply?—Yes.

8505. How many cases?—My entire crop.

8506. Supposing something happened to your crop?—Fruit is a perishable staple; lumber is not.

8507. Why not?—Because we have been getting quotations from Sweden for the last ten years and they vary to a very small extent.

8508. Why fix the Colonial maker for ten years?—I will fix it for the period of the Convention.

8509. We do not know it will last for ten years?—It is a business offer. I am prepared to make a contract for five or ten years at that price for my entire output.

8510. Are you aware an offer was made to a prominent member of your association to make 150,000 boxes at the same price as they could be imported at?—I know nothing of this whatsoever.

8511. As a matter of fact, such an offer was made. As my name has been brought into the matter, I may say I made the offer—that was six months ago—and not a single box was made?—I was in England at that time, as a matter of fact.

8512. I would not have mentioned that only you brought my name into this business. Such an offer was made, and not a single order ever reached the firm. I would like to ask what the difference is between a sawmiller making the boxes in Gothenburg and the sawmiller making them in Cape Town, if they are made out of the same wood? What difference would it make to the quality of the box?—I do not say it would necessarily make any difference. I am not stating from my own knowledge that the Colonial article is inferior at all.

8513. You have just told the Commission that the mills are on the seaboard at Sweden, and that they have better machinery than the people here and better labour, and therefore the people here cannot make the boxes?—Yes, I stick to it.

8514. The sawmills cannot make a box?—It is impossible to make them here to compete with those in Sweden.

8515. The evidence we have had lately must be wrong, because we are told the quotations to-day are cheaper than the imported?—I have evidence here with regard to quotations for boxwood. We have quotations from five Swedish mills, all of which, with duty and landing charges added, come to much below the prices at which Messrs. Purcell, Yallop and Everett and W. and G. Scott are now offering to supply.

8516. What is the date of that letter?—December 6th.

8517. So you can still import cheaper?—This is not from my firm, but another large buyer of material, who will be giving evidence here within the next few days. He has quotations from five Swedish firms, and can still buy cheaper from them. I am prepared to accept your quotation.

8518. How many months ahead do you order your boxes?—Six months.

8519. Would you be in favour of giving a little more time on this side—more than six months?—Yes.

8520. Would you give twelve months?—I would be inclined to give the local people as much time as possible.

8521. If it did not cost you any more than the imported article, or even a little less, would you do that?—I would be willing to pay a little more. I do not mean to say this quotation is dishonest, but I feel it is impossible. I am talking of what I know nothing about, but knowing Sweden and the way things are organised there, I feel it is impossible for an offer to be made like your firm have made, and still keep to it; they may get tired of it.

8522. It would take too long to explain why the firms want to make these boxes?—I will place a contract for two years at that price.

8523. I suggest that you give the whole of your year's supply and say what quotations you want. As a matter of fact, the people have been prejudiced all along. You have told us it was a direct tax?—So it is.

8524. Without inquiring whether you can get the box made here?—We only go on the quotations we have received.

8525. You have never said, "Here we give you our whole requirements to make?" Have you done that?—No, I certainly have not: how could I on the quotations?

8526. *Mr. Kayser.*] I should like you to alter your evidence with regard to the duty now imposed in Australia. The duty is 9d. for a dozen pint-sized bottles of fruit?—I am prepared to accept that alteration.

8527. It is not 3d. a pound?—It is 3d. on dried fruit then.

8528. Only on currants?—In the Australian papers I have read it myself that prunes are 3d.

[*The Secretary read the Australian Tariff on dried fruits.*]

8529. The only point is, you ask for 2d. and the Australian duty is about 1½d.?—Yes, I am asking for 2d.

8530. Currants are 3d., I think. At all events, we have had a witness here who has asked for 1d. a pound, and you think nothing less than 2d. would meet the matter?—I would like to say 2d. I think 1d. is absolutely essential, but 2d. would be better.

8531. *Mr. Tod.*] Dried fruits are 3d. except dates?—I thought that.

8532. *Mr. Kayser.*] With regard to the cost of getting goods to Johannesburg, of course you are aware the special low rates for South African produce only apply in Cape Colony, so, in making that comparison, you should have taken a point in Cape Colony?—I overlooked that fact.

8533. Also in regard to the American comparison, you are probably aware that the reason is the competition which exists between the through railway lines and the route by sea?—I do know that.

8534. Can you give us the rate from Chicago to New York on the same article, which is only a thousand miles? The comparison you give is hardly on all fours. In the one case there is no competition by sea, and in the other case there is?—I am not quite sure of my figures, but I imported a car load of moss from Chicago, and the freight from Cape Town to Drakenstein was very nearly the same as from Chicago to New York. I am prepared to give actual figures. A thousand miles there cost less than a hundred miles here.

8535. The only question in your evidence which gives me a little thought—and perhaps I misunderstood you—was that you said, with regard to canned vegetables, that there would be no increase in the railway price?—I do not think there would be.

8536. The only reason you gave was that there was none made here?—I will admit I gave a very poor reason. My belief is there would be no raising of the price to the consumer.

8537. There must be a raising of the imported price, otherwise it would not be imported?—Yes.

8538. If you want protection, you naturally want it because you cannot manufacture to compete at the same figures?—Quite so.

8539. Therefore there must be some increase in the price?—I do not know the price of the canned vegetables. I am looking at it from the producer's point of view, and I say it is absolutely impossible for us to pay the price to the farmer for which he will grow.

8540. And with the increased duty there must be an increased price?—I think it would be exceedingly small. The canneries wish to be able to can vegetables, because it keeps the place busy when there is no fruit. In America they close the cannery at the end of the season, and the staff goes to a different part of the country, but here we have to keep it open the whole year round.

8541. Can you possibly can all the vegetables to-day?—I think we can put up a full line of vegetables.

8542. Peas and beans as well?—Yes. I think we can put up a really good article.

8543. That is simply your belief?—Yes.

8544. *Dr. Viljoen.*] I suppose one of the reasons why you are against the *ad valorem* duty, and want a rated duty instead, is that it is unsatisfactory, because it is difficult to find out what the price of an agricultural product is? It varies very much?—Yes.

8545. An agricultural product has no fixed price, like a piece of linen?—Quite so.

8546. You were asked by Mr. Scott whether you had really tried one of the manufacturers in Cape Town to take the whole of your order, and your reply was that you had not done so?—Yes.

8547. If the quotation submitted to you by Messrs. Scott had been satisfactory, would you give him the whole of your order?—Certainly. I am a business man.

8548. The only reason for not giving them the order was that the quotation was an unsatisfactory one?—Certainly it was. People were getting different quotations.

8549. I am talking of the £17 10s. quotation of 1906?—Of course, it was unsatisfactory.

8550. Unsatisfactory because it was too high?—It was 100 per cent. above what we were paying.

8551. And that is the reason you did not give it to him?—Certainly, that is the reason.

8552. You did not do it out of any prejudice?—No. Am I not offering to do business now? Of course, it was not prejudice.

8553. You stated that the duty on box wood was a direct tax on the farmer to the tune of 2d. in the £?—Yes.

8554. Will you give an illustration, or may I submit one to you? Supposing a farm is valued at about £5,000—which I suppose would be the average value in the Drakenstein district?—Yes.

8555. What would be the duty on the box wood a farm like that would use? Would the farmer use box wood to the value of, say, £250 or £300?—Yes. It might be a good deal more. It would depend on the productive stage.

8556. You refer to your individual case, of course?—I am talking of others. It will average about that.

8557. If the farm was valued at £5,000, and the duty on the box wood was £40, that would work out at about 2d. in the £?—Our farm is rated at about £8,000, and the duty we pay is about £60 or £70.

8558. That is a direct tax?—Yes.

8559. *Mr. Harlow.*] Do you mind telling us what percentage of your growth you send oversea?—I would say I send all the best—about one-third of the total crop.

8560. What do you do with the other two-thirds?—Sell it locally and dry it.

8561. *Mr. Scott.*] Will you tell us how many boxes your firm purchases?—I am not quite sure, but I should think we pay about £500 or £600 a year—ranging between £400 and £800 a year.

8562. You pay £60 duty?—Yes.

8563. Are you correct there—on £400?—I say between £400 and £800. I can supply this Commission with all the figures, if they wish.

8564. What is your opinion of the samples of boxes we have here?—I do not speak as an expert. At certain times, when the fruit has been in cold storage, by when it gets Home, the slightest taint in the wood affects the fruit. In the early stages this was a great difficulty; and it is a vital matter to get an odourless wood which will not affect the fruit. At all events these boxes look all right.

8565. It would be interesting if you could say whether they were all right?—Outside the possibility of a taint, they are all right. They look and smell all right. I should say the box is about the same as ours.

8566. And of the same quality wood?—I should say so.

Charles Edward Tod, Farmer, East Griqualand examined :

8567. *Chairman.*] Will you make a statement ?—I wish to make a statement to the Commission in regard to the cheese industry in East Griqualand, and after making the statement will be pleased to answer any questions which any of the members of the Commission wish to put to me. I may say the cheese industry in East Griqualand was started, or encouraged to start, through the Government sending an expert up to that part of the country to teach the farmers how to make cheese. At that time there was a protective duty of 2d. a pound on cheese. The industry began from the first to make fair headway—slowly perhaps, but still succeeding seasons saw an increase on the previous season. Unfortunately, at the Bloemfontein Conference in 1903, when the revenue of the Colony was in a particularly favourable condition, the Government, animated by a desire to give away part of the surplus revenue in the direction of affording cheaper living, allowed cheese to be placed under the *ad valorem* rate. I think the representatives of the Cape Colony at that Conference were perhaps not aware that cheese was actually being manufactured at the time in the Colony. Then at the Conference at Maritzburg in 1906, I am not aware whether any effort was made to get the old duty on cheese reimposed. At any rate, we know that the cheese still remained under the *ad valorem* rate. Now the hardship in regard to cheese is this. We protect butter to the extent of 2d. a pound. The dairy farmer who is in a position to make butter must have railway facilities. The dairy farmer making cheese is not dependent on railway facilities, at any rate to anything like the same extent, as cheese can be carried practically over any distance by ox wagon without its quality in any way suffering. I contend that by encouraging the production of cheese you are encouraging the whole dairy industry of the Colony, because you at once interest a much greater number of farmers in dairying than would otherwise be the case. It is well known that when dairying is taken up the first thing which the farmer discovers is that it becomes necessary for him to increase the milking capabilities of his herd. Therefore an effort is at once made, either by importing bulls of the necessary milking strain or in purchasing cows, and gradually a selection of the fittest is going on which is grading up the whole of the dairy cows of the country. Therefore the butter dairyman is now able perhaps to buy from the back country districts a much improved class of cow for the purpose of making butter. Cheese-making and butter-making really go together. I contend that by developing the cheese industry you are assisting the butter industry. At present there are something like thirteen factories manufacturing cheese in East Griqualand. I know for a fact that one of those factories only will turn out something like 25 tons of cheese for this season. I could not give you the figures for the other factories, but I think I am quite within the mark when I say that this season's output will aggregate over 100 tons. Now, I contend that we ought to give the old protective duty on cheese of 2d. a pound. I do not think it would mean any increase in price in regard to the Colonial article, but I think such a duty would be a distinct discouragement to the use of the imported article, and I look forward to the time when the encouragement which I propose to be given to cheese-making will have induced so many people to take up this industry that eventually the internal competition brought about by the increased production will bring the price of cheese in this Colony down to a less rate than it can be imported for. I think that is all I can state. As I said before, I would be very glad to answer any questions to amplify my statement.

8568. *Dr. Viljoen.*] There are other places besides Griqualand East producing cheese ?—Yes. I think in all the grass portions of South Africa cheese-making can be carried on.

8569. You heard that a man in the Caledon district was making cheese ?—Yes. Is that a grass district ?

8570. Yes. You have a very extensive knowledge of farming generally ?—I think I have.

8571. It is your opinion, as a practical farmer, that within the very near future we shall be able to produce sufficient cheese for the whole of the requirements of South Africa ?—I am quite sure of it.

8572. And the cheese-making has been conducive to the improvement of the breed of cattle ?—Undoubtedly, from a dairying point of view.

8573. Bearing on this subject, have you ever used, or do you know whether it is being used, linseed cake for feeding purposes ?—I think there is one farmer in our district who does use it. I only know the one.

8574. Has any grievance been brought to your notice with reference to the linseed cake ?—No.

8575. The duty ?—No. I may say that although I know this one farmer uses it, I have never discussed with him even its cost or how he is satisfied. I can give you no information.

8576. You cannot say whether, in the interests of feeding cattle, we should reduce the duty on linseed cake ?—No.

8577. *Mr. Harlow.*] Do you think that this Colony could possibly, within a reasonable period, produce the amount of cheese required ?—Yes, I have no doubts on that point at all. As I say, we are turning out 100 tons now in East Griqualand, and that is only touching the fringe of the possibilities.

8578. Do you know that in 1906 the consumption of cheese in the Cape Colony amounted to 1,360 tons ?—If that is all you import, then East Griqualand can supply the whole lot for South Africa. That is only ten times what they are doing, and 100 tons only touches the fringe.

8579. Does the quality of the Griqualand cheese compare favourably with the imported cheese ?—Good judges assure me the comparison is in favour of the Colonial.

8580. If any one states that it crumbles and will not keep, that is not stating fact ?—That may be so in regard to the cheese those people produce, but it does not apply to the cheese of East Griqualand, where the quality is of the highest and the cheese in demand.

8581. Do you think if a small duty was put on to protect this industry it would be an inducement to produce a superior quality of cheese ?—I would not say superior, but it was the duty of 2d. a pound which induced people to start this industry, and I think you inflicted a considerable hardship on them when this duty was taken off without any reason.

8582. What is the duty now ?—12½ per cent. on the value.

8583. What duty would you suggest being put on the cheese ?—Twopence a pound.

8584. You do not think that would be a hardship on the present consumer ? —I am not prepared to say that it will not increase the price of the imported cheese. I think it must do, but, as I mentioned in my statement, it will give such encouragement to the increased production of the Colonial article that eventually the Colony will gain immensely by it.

8585. Have you any objections to telling the Commission the class of cattle you keep for this production ?—The principal breeds in East Griqualand are Shorthorn and Friesland, but I believe some farmers are going in for Ayrshires, as being a particularly good cow for cheese-making purposes.

8586. Do you know whether any one has experimented with the Alderney or Jersey breed ?—A few, but in our part of the country we must combine beef-raising with the dairying industry, and therefore the farmers go in for a class of cattle which will give both milk and beef.

8587. According to your statement, they have a sufficient supply of cattle to compete with the present market in cheese and so forth ?—There is no question about the supply of cattle in the country but, as I told you, farmers are constantly improving their cattle, and that improvement will go on.

8588. So even if at the present time the cost to the consumer is increased, eventually the internal competition will reduce that cost to an extent whereby they will not find it so ?—Yes. You will never find a combination amongst farmers to keep up the price. Take 2s. per hundred pounds protective duty on mealies. That undoubtedly encouraged the farmers to go in growing them on a big scale. What is the result ? To-day we are on an exporting basis, and can sweep the duty away to-morrow without affecting the farmer at all.

8589. *Mr. Pyott.*] Do you not look upon co-operation as a combination amongst the farmers against the producer ?—I do not think so. I would not take that view of it at all. You may say our cheese factories in East Griqualand are co-operative.

8590. Co-operation is an endeavour to produce a higher price for the stuff ? —No ; co-operation is to reduce the working costs and produce a uniform article. That is the view I take of it—reducing the cost by manufacturing at one point a large quantity of the article, and, as every one knows, by doing that under skilled management you can produce a higher-grade article at a less cost than by having a large number of small places all attempting to do the work.

8591. That is all right as regards cheese and butter-making. You cannot co-operate in the growing of mealies; you can only co-operate in the marketing of them?—There is not even co-operation as far as the farmers are concerned; the Government allows itself to be the medium of selling the mealies as far as the export is concerned.

8592. Are you not in error in saying the duty on cheese was 2d. a pound?—No.

8593. Was it not 3d.?—It may have been at one time, but then I think it was placed at 2d.

8594. The duty on cheese was 3d.?—I was under the impression it was 2d. Still, I would not ask for 3d.; I would be satisfied with 2d.

8595. What does the *ad valorem* rate of 15 per cent. to-day mean in the value of cheese?—In cheese like Stilton and those cheeses of high value it would mean a good deal, but in the cheaper classes I think it would work out at ½d. a pound.

8596. That is the production you have to-day?—Yes.

8597. I suppose in speaking of East Griqualand, the difficulty you find is that it is impossible to make butter?—Quite impossible. We turn our butter into soap. I have been farming here for 16 years and have never bought a pound of soap. I have made it from the butter.

8598. It would not pay to send that here for soap?—No. It would have to be sold for about 3d. a pound.

8599. You said that as the cheese industry advanced so would the butter industry advance?—Yes. I have shown that by the immense addition it will make to the dairy cows of the country.

8600. To-day we have not the dairy cows?—I will not say we have not the dairy cows, but I think there is room for a vast addition for one man to supply the whole of the butter required in South Africa.

8601. Regarding preferential railway rates, we should like to hear whether you are in favour of retaining them?—I will only give it in regard to cheese. I think imported cheese should be carried over the railways at the same rate as Colonial. I think any protection given should be in the form of a duty.

8602. The point you wish to make in bringing forward the 2d. a pound on cheese is not to increase the cost to the consumer, although you admit it will in the first place?—I suggest it to encourage the enormous production possible in the country.

8603. And to produce for your own markets?—In the first case. I think in time this country will be exporting.

8604. *Mr. Scott.*] You heard the evidence given at Grahamstown on cheese-making?—Yes.

8605. You do not agree with that evidence?—I must say I was astonished.

8606. From your experience you tell us there are thirteen factories in East Griqualand making cheese?—Yes, and since I have been in Cape Town I have learnt of a factory near here—Mr. Charles Leonard's—where they turn out a very high-class cheese, which finds a ready sale in Cape Town.

8607. Do you know the quantity imported into the Cape Colony in the last nine months?—The figures have just been quoted to me—1,300 tons.

8608. You have no hesitation in saying that in time the cheese industry will produce that quantity?—None.

8609. Do you think the increased production of lucerne would help the industry?—I do not think so. It is the grass-growing parts that will be the dairy districts of the Colony.

8610. So lucerne is not a suitable fodder?—Perfectly, but so expensive as compared with the natural grasses.

8611. Coming to co-operation in cheese-making, is there such a thing as co-operation in the manufacture of cheese? I know what it means with butter, but does it apply to cheese-making?—I might tell the Commission that Mr. Fuller and Mr. Hannon came up to East Griqualand and pointed out the benefits of the co-operative schemes, but the farmers in my district did not avail themselves at all of the Government's offer of monetary assistance. The principle adopted there is that a farmer starts a factory on his place, and in addition to using his own milk he buys from his neighbours, or in some cases a factroy is started purely as a business concern without any co-operation and buys up all the milk possible in the district around. It is co-operation in the sense that a number of farmers send their milk to one central point, but beyond that there has been no co-operation in the true sense of the word—that is the farmers being paid the whole of the nett returns of the milk; they sell their milk at a fixed price, and the man buying makes what he can out of it.

8612. Does the Government give any assistance in sending the expert to these farmers?—Yes. I have told you it was owing to the Government's action in the first place that this industry was started.

8613. Does that still exist? Are these experts still going round?—Yes; there is one travelling round the country now.

8614. You advocate that they should be sent?—I think you cannot overvalue the educational part of it.

8615. You say the farmers are co-operating to produce cheese?—I do not think I said co-operating to produce cheese; they are producing cheese.

8616. But they are of mutual assistance to each other; they co-operate and send their milk to one centre?—They send it to one centre, but have no further interest in the cheese; the man buying the milk makes all he can out of turning it into cheese. In true co-operation the man sending the milk to the central dairy would still have an interest in the sale of the cheese.

8617. Is there any possibility of the combination existing in the production of the cheese raising the price to the consumer?—There is no combination, and I do not think it need be feared at any time.

8618. *Chairman.*] Can you tell us what the cheese manufactured in East Griqualand is sold at?—I think it is from 8d. to 9d. a pound.

8619. Where are the markets now?—I believe most of the cheese is sold in Johannesburg and Natal. I believe a ton or two came down to Cape Town a little time ago.

8620. What is the cost of sending it down to Cape Town?—I think the cheapest way would be to send to the nearest port and then by steamer.

8621. Is it got up in the same way as English and Dutch cheese?—It is got up similarly to the English cheddar cheese.

8622. *Mr. Pyott.*] Would you not be in favour of a bounty on the production of cheese?—Yes. I think the cheese manufacturers would be very pleased indeed to take the encouragement in that way.

8623. Either through the Customs or a bounty?—Yes; the cheese manufacturer would be perfectly satisfied with the bounty.

8624. *Chairman.*] How would that answer?—Personally I do not think it would answer with our relations to the other Colonies and the call on the revenue.

8625. *Mr. Pyott.*] The Chairman refers to cheese exported?—You could not give a bounty on cheese exported to Natal.

8626. Would not you give a bounty on all cheese produced?—It has to be considered; my personal views are against it.

8627. You know Australia has built up its export trade to-day with bounty-fed articles?—When you come to an oversea export basis then I think it is worth considering. Take New South Wales with her butter industry, which is as near as one can get to the position in cheese here. I might tell you at one time when the Colony of Victoria had made such strides with its central creamery system in the manufacture of butter they were turning out such a high grade article that New South Wales were practically purchasing all their butter from Victoria. The people in New South Wales considered the position and put on a protective duty against the sister Colony of Victoria of 6d. a pound in butter, and the result was that in two years New South Wales was in just as favourable a position as Victoria in the butter industry, and exporting to England.

8628. I understand Australia gave bonuses for internal production and consumption as well?—I did not know for internal consumption.

8629. *Dr. Viljoen.*] In Victoria the bounty was absolutely confined to the export trade. I am not speaking of the other parts.

Thomas Micklem and Oswald Charles Merriman Barry, representing the Stellenbosch Agricultural Society, examined:

8630. *Chairman.*] Will you state to the Commission what points you wish to bring before them?—*Mr. Micklem.*] The question of the 15 per cent. duty on boxwood. We say that the boxwood is an unmanufactured article, that the duty is a direct tax on the farmer, that it benefits no Colonial industry and that the fruit-growing trade is a young and struggling industry, and it is a difficult thing to bear all the burdens that we have. The duty puts on one-seventh to the cost of production. There are no box manufacturers in the country as far as fruit boxes are concerned; each farmer is his own manufacturer. We have never been able to get quotations for boxwood in the Colony within a very large percentage of what we have been able to import for. We have a few quotations from the timber merchants, and last year our Association placed our order with a Cape Town firm, who imported the boxes for us. I have noticed that a gentleman who gave evidence said he could produce a thousand boxes a day by employing 15 men. If that is the rate of production of boxes there is no doubt we shall have to pay very heavily for them. That means with machinery sawing up the wood to produce a thousand boxes, and I should think that 15 men with handwork could very nearly have done that.

8631. We have also had evidence from one man that he got quotations which were acceptable ?—We have had quotations from a firm which, if we had had it at the beginning of the season when ordering, we should have accepted, because they were considerably lower than the price at which we originally placed our orders, but we get the quotations now when every man has bought his supply, so that they are no use to us. If those quotations hold for next year when we order in February or March we shall most probably place the order there. Of course, the same remarks apply to other packing material, such as paper, as to wood. We pay the same duty on packing paper as we pay on wood.

8632. Do you want that in duty free, too ?—Yes.

8633. Has the action of the Government in appointing the Trades Commissioner at Home been of any benefit to the fruit industry ?—I think this year there will be quite enough for the Trades Commissioner in England to place the fruit which can be sent to him.

8634. Is that expenditure of money any benefit to the fruit growers ?—I think so distinctly. If the Trades Commissioner can dispose of the fruit it should be of great benefit. He was appointed so late last year that he made little difference in the fruit industry. What he placed was at a good figure, but the fruit season, except for grapes, was practically over when he was appointed. This year I believe he will handle enormous quantities.

8635. Have you any other points ?—My personal feeling is that we go perfectly well with all other countries without any duty. Our fruit comes at a time when no one else's fruit comes. What I feel about the duty is that there are large numbers of small shops all over South Africa who in our fruit season are very large buyers of our fruit, but if they cannot get fruit out of season without a heavy duty many of them will close up, and next year we shall be without the means of disposing of our fruit. Personally, I do not think the import of fresh fruit interferes with our trade.

8636. Are those the only points you wish to bring before the Commission ?—Yes.

8637. *Mr. Tod.*] Would your remarks also apply to pulp for jam-making ?—I have no experience of that question and cannot say. I doubt whether we import except fruit which we do not produce.

8638. Would you be in favour of pulp coming in duty free ?—That is a matter for the jam maker. I really do not know.

8639. I think it is a matter for the fruit grower ?—I do not think so.

8640. *Chairman.*] The point is that if you import the pulp free it may interfere with the fruit growers here because of a lot of stuff being imported instead of Colonial fruit being used ?—I do not know the price. If he can import pulp cheaper than he can pay for it.

8641. Fruits which are not grown here, like raspberries and red currants ?—We have tried all these things without any commercial success here, and it seems to me that if the jam maker can import those it does not interfere with our trade.

8642. *Mr. Tod.*] In regard to those fruit boxes, one of the strong arguments that has been brought before us in favour of the protective duty is that it will give employment to such a great number of people in the Colony. One of the witnesses told us that something like half the cost of the box is represented in the labour part of it. Have you any knowledge of that at all ? Could you give us any idea ?—No.

8643. Do you think it is likely that it costs half the value of the box to make it ?—I should not have thought so. I should have thought that the labour of making them with machinery would have been a minimum.

8644. You have said there is no prospect of making boxes in sufficient numbers if it takes 15 men to make a thousand in a day, but if that argument is right, it is simply a matter of getting sufficient men to make them, and that is a reason for keeping the duty on ?—It is not a reason for keeping the duty on that you keep a lot of men here to make the boxes and it costs us so much more to import.

8645. You will have to pay 15 per cent. ?—I contend that the merchant, when he gets the orders, imports the raw material, as we buy it.

8646. Do you mean to say he imports the boxes in shooks ?—He imports as we should import.

8647. Have you any proof of that ?—Our co-operative society placed our order last year with a certain firm of timber merchants, who sent in an invoice showing the imported wood and the cost of it. I know that they cannot do it ; they tell me they cannot do it.

8648. They simply act as importing agents ?—Yes. We pay their commission and 15 per cent. duty for employing Colonial labour which is not employed.

8649. *Mr. Barry.*] Might I point out that this boxwood is made in Norway and Sweden, where there is a tremendous timber business, and they use all the scraps and odds and ends, which cost them nothing, whilst here they have to saw up whole wood. Then there is the argument of employing these men, which seems to be a general cry all round. What do they live on ? Are not they living on the resources of the country ? One would think the more people we could employ the wealthier we would be, but it seems to me that it is a direct drag. These men are not being employed for nothing. We have to produce stuff to provide them with food and clothes.

8650. You argue from a free trade point of view ?—*Mr. Barry.*] Yes. In the evidence before this Commission every one asks for protection on everything. To foster these industries we are to have protection for every one, and it seems to me absolute ruination for the country if that goes on.

8651. You are not in favour of protection in any shape or form ?—I say it wants to be handled very carefully and gently. There are certain natural industries which it would be advisable to foster and put on their feet.

8652. Can you indicate those industries ?—No. I think the fruit industry is one. I suppose the bounty system is one we cannot afford, but it seems to me a much sounder basis to go on. You may put on a duty with the idea of fostering a trade and the trade never comes to anything, and every one in the country is paying that duty and the thing never grows.

8653. You might apply that to the fruit business. At present you have a heavy protective duty on jam, and you will not deny that that means you get an enormous demand for your fruits from the jam manufacturers of the country ; is not that so ?—As far as I am concerned, no. I do not sell a ton of fruit a year to a jam manufacturer. Generally, I think the jam factories do not seem to go very strongly in this country, and do not seem to take much of our fruit.

8654. We have it in evidence that they are turning out an enormous quantity of stuff ?—And they complain that they are swamped by the military article, and cannot do anything. Then Messrs. Hill & Co. are mostly supplied by their own farm.

Mr. Micklem.] The amount of fruit grown in this country is so enormous that, putting the whole of the jam manufacturers' consumption together, it is simply nothing.

8655. You do not believe in the genuineness of the quotation for boxwood you are getting now ?—*Mr. Barry.*] No.

8656. What is your reason ?—We have had some of the Colonial stuff and it is fair, but it cracks a lot, and so on. Then we know, as Mr. Micklem says, that the wood was imported.

8657. Your contention is that it is like asking a man who has just died to have dinner—knowing you have ordered your requirements, the quotation is useless ? —Yes. I say, like Mr. Pickstone, if the quotation is genuine, give us a guarantee of it for some years. But then we are doubtful of the quality of the article. We must have good stuff, which must not taint our fruit, and it must not split. When we get these things we find the box will not do. It is to our benefit to order locally, because then we are not depending on a man 6,000 miles away, and do not have to cable at the last moment when we find we have not sufficient peach boxes for our peaches. It is to our benefit if it is done here, but we do not think it can be.

8658. You are against the 15 per cent. ?—Yes, and I think if the fruit industry is a natural industry, and there is a demand for the boxes, the box-maker should be able to supply our wants, and if not it is to the benefit of the country as a whole that we should get our boxes in the cheapest market, and not be forced by a duty to buy out here. If this country is not adapted to supply our wants, I do not see the benefit of forcing us in this way.

8659. Do you export your fruit ?—We export all we can.

8660. Would it meet you if you had a rebate on the value of the boxes exported ?—I would rather see no duty at all. It is taxing the one industry which is likely to be of benefit to the country to benefit another which is extremely doubtful. I should say on the facts before us it is very doubtful if they can ever compete. Then Natal knocks us all out because of the cheaper labour and cheaper coal. It is a dead drag. You pile protection on to the things from countries with natural abilities for supplying them, and we have to pay for it here.

Mr. Micklem.] In no country in the world do they tax unmanufactured articles, except luxuries, in the way of living. If we are going to be protected we should be protected by putting a duty on manufactured articles, which might foster manufactures here if done judiciously, but you will never foster manufactures here by taxing the raw material. Our wood is the raw material.

8661. The box is the manufactured article ?—*Mr. Micklem.*] We buy the timber only. It is only roughly-sawn wood. It is as much unmanufactured as any timber.

8662. If the statement is correct that half the cost of the box is in the labour, you must agree it is a manufactured article ?—I should not agree with that statement. I think it is absolutely impossible.

8663. We should be very glad of any information of a reliable nature on that point ?—If the statement is correct that it takes 15 men a day to turn out a thousand boxes it is perfectly impossible that the large amount we pay for boxes is anything but labour, because we buy boxes of a size at very nearly the cost of making them.

8664. But of course you must not lose sight of the fact that, after all, the boxes required by the fruit growers in the Colony only represent a portion of the total importation. The importation of boxes is about £36,000 a year, and of that the Somerset Dynamite Factory takes half ?—They buy it and manufacture the boxes, I suppose.

8665. No ; they are made here ? If the bulk of the cost is in the manufacture timber must be a very cheap article—much cheaper than we pay—because we pay a very heavy price for timber. If the box-maker here is going to cut it, as he must do, at a cost of £4 or £5 per thousand boxes, we pay a fabulous price for the timber we buy, because he has to bring in that timber and cut it up. He cannot get the timber here ; there is no question about that.

8666. Is there any other point you wish to give evidence on except boxes ?—*Mr. Barry.*] There is the paper, too. I think that is very much the same.

8667. What is the duty at present ?—15 per cent.

8668. Surely that is a very small item. That does not cost you much. It is so difficult to make a distinction. If you people are relieved you must relieve all people using similar paper, and you might disturb the revenue serioulsy. After all, you must pay something to the revenue ?—Quite so, for the purposes of revenue.

Mr. Micklem.] We have been distinctly assured over and over again that this boxwood tax was not for the purpose of revenue at all, and we should have had the tax taken off before now if it had not raised too many questions about the Customs Union. Of course the Transvaal people see the folly of having to pay this tax as much as we do. This tax is left on for revenue or for fostering an industry which cannot be fostered by it.

8669. *Mr. Pyott.*] You say the jam factories have very little of your fruit,—*Mr. Barry.*] I am speaking of ourselves. I am not speaking generally of fruit, though it is my idea that not much is taken. The Rhodes' Fruit Farms have started their own jam factory, and probably take a lot of their own fruit. I understand there is very little taken from the fruit growers for the jam factories.

8670. I think the consumption of the jam factories was something like 1,500 tons of fruit last year. How does that compare with the exportation of fruit ?—*Mr. Micklem.*] It is enormously in excess of the exportation of fruit. It is only a drop in the bucket as far as the production of fruit is concerned.

8671. If the jam manufacturers are only taking a drop in the bucket of the fruit produced in the Cape Colony it is a great pity to tax the taxpayer with 2½d. a pound on jam ?—*Mr. Barry.*] I think jam-making is one of the things we do want in this country, and if you want duties at all I think it is one of the things which should be protected above most industries.

8672. I suppose there is a possibility that jam will be exported at a later date ?—I expect so.

8673. Some special fruits are grown here which cannot be grown elsewhere ?—It is always a puzzle to me how the imported article competes with our jams as it does.

8674. You are aware there are certain fruits like red and black currants which people have been used to and will buy at any price ?—Yes.

8675. You have no objection, Mr. Micklem, to the fruit pulp coming in free ?—*Mr. Micklem.*] I said that was a matter which did not concern me.

8676. You do not think if they get these fruits they will not want to buy your plums and Cape gooseberries ?—I do not think so.

8677. Are you large exporters of fruit in boxes ?—Yes. Mr. Barry is larger than I am. I am representing the Fruit Exporters Association.

8678. What is the proportion of 15 per cent. on the boxes to the cost of sending your fruit from your farm to the London market ?—It is about one-eightieth of the value.

8679. Do you think this 15 per cent. is going to be a tremendous detriment to the export of fruit ?—*Mr. Barry.*] It is actual cash and it is that much drag on us.

8680. I am also interested in the box question on the same side as you are, but we feel it is no great hardship ?—It is so much cash drag on us, and we think it is improper. It is not a question of whether we can afford it. As a matter of fact, if you hold up that the fruit industry pays so tremendously how is it that not more people go in for it ? The best test is the amount the big trust companies will advance on a fruit farm.

8681. Has it not been overdone, like the jam factories ?—No. I think there is a big field when the industry is organised. We have just organised the prune industry. Before it was organised, you might have said there were too many prune trees in the country, but it is not so now.

8682. Last year there was too much fruit for the consumption ?—*Mr. Micklem.*] The drawback to the industry in this country is largely that the fruit comes at one time. If you cannot store your fruit the consumption is nothing equal to the production.

8683. Will not the 15 per cent. act largely to the detriment of the fruit exporters ?—Not largely to the fruit exporters, but the exported fruit is a small proportion.

8684. Is not the man making the boxes likely to consume your fruit and butter and eggs and so on ?—We contend that the men doing that are so few that the consumption is practically nothing.

8685. That is a point you have never considered ?—We have considered it. As far as our fruit is concerned, I feel certain that if we put a couple of men on a machine and let them work all the year round they would produce more than we should require in the whole year. I think two or three men would make all the boxes easily. I have no very definite ideas, but it seems to me that with machinery you turn out such an unlimited quantity of stuff.

8686. Still, you must bear in mind that a thousand boxes, with perhaps ten pieces in a box, represents some labour ?—Very little labour. If to turn out a thousand boxes it will cost 15 men's wages, it comes to this that it costs about £3 15s. to turn out the thousand boxes, and we could not afford to buy them. I suppose some of them would be skilled men, and you cannot get them trained at 4s. a day.

Mr. Barry.] These people do eat our fruit and butter. I do not see the great advantage of the people eating up our products. Our products should find a market naturally. If we have the whole market open it is as much an advantage to feed the man at the other side. Here you give him actual money.

8687. I am afraid if you follow out your argument we shall never people South Africa ?—*Mr. Barry.*] That is a matter of opinion.

8688. Do you not think it is a fair tax in order to maintain the revenue ?—We must have something for revenue, but I do not think the 15 per cent. on boxwood is fair, because it is essential the fruit industry should have a fair trial to get on its feet, because I think it is one of the natural industries of the country. Otherwise it will go under.

8689. It strikes me very forcibly that you are hedging the question of paying fair taxation to the country when you speak about the paper and boxes ?—*Mr. Micklem.*] We pay our share of taxation like every one else, and this is a special and direct tax on the fruit grower.

8690. I am taxed on my biscuits ?—If you will tax fruit as a luxury all right, but we consider it is a necessity.

8691. *Dr. Viljoen.*] You contend, Mr. Micklem, that even with the 15 per cent. duty now the shook is still imported ?—Yes.

8692. So this 15 per cent. cannot be a protection to the manufacturer ; it is a direct revenue tax on the producer ?—Yes, certainly.

8693. I see here you have an account dated the 4th December, 1907, from Messrs. Purcell, Yallop & Everett ?—Yes.

8694. I presume these people are manufacturers of shooks ?—Yes.

8695. Or they pretend to be ?—Yes.

8696. This is the same as the Mr. Yallop who gave evidence here the other day ?—I presume so.

8697. When did you place this order with Mr. Yallop ?—In August of this year.

8698. So Mr. Yallop cannot contend that you came there at the last moment and gave him an order to make a lot of boxes ?—No.

8699. If he had been in a manufacturing position to make these boxes here he had ample time to do so between August last, when you gave the order, and the day the things were delivered to you ?—Yes. I may say we gave our large order at the end of February or the beginning of March, but this was supplementary.

8700. The large order is not before us. I am referring to matters before me. This order was given in August, and Mr. Yallop had ample time to make the boxes here if he had been in a position to do so ?—Yes.

8701. You had quotations for shooks ?—Yes.

8702. And I see you have quotations here attached to this which are not from this firm. I see you have a quotation from W. and G. Scott, Ltd. ?—Yes.

8703. Is this quotation satisfactory ?—Yes.

8704. Are you prepared, provided the article is about equal to the imported article, to accept this quotation ?—Yes.

8705. Why do you not ?—I only had the offer a fortnight ago.

8706. And you do not require any boxes now ?—No ; we have all our supplies.

8707. Would you, Mr. Micklem, and you, Mr. Barry, as large exporters of fruit, be prepared to accept an offer like this for a term of, say, two years, provided the article is sound and the guarantee is given that this quotation will be carried out ? —*Mr. Micklem.*] Yes. *Mr. Barry.*] Yes.

8708. Have you any doubts about these quotations, that they might afterwards be made higher ?—*Mr. Micklem.*] They are about half what we were quoted by the same firm when we were buying.

8709. I see the Cape Town firm imported these shooks for you, and they acted simply as commission agents ?—Yes.

8710. Charging you 5 per cent. discount and a most extraordinary charge of £3 13s. 2d., which means about 3 per cent. exchange. Did you pay that exchange of 3 per cent. ?—Yes.

8711. Did not you think it was a little bit heavy ?—Yes.

8712. It seems to me a most extraordinary thing ?—Yes.

8713. Did you protest against this ?—No, because we had accepted the quotation, which covered all those things. Our quotation was a certain price per box. We did not have the details when we accepted the quotation.

8714. Then afterwards, when this was put before you—with the pistol at your face—you had to pay it ?—We had accepted the quotation.

8715. On account of £110 15s. 1d. exchange, stamps, etc., amount to £3 13s. 2d. What does " etc." mean ?—It may be agency at the Docks.

8716. It cannot be. Bill of lading, entry, freight, commission and all these things are embodied ?—I cannot say, because we did not get the details when we got the quotation.

8717. It was rendered on the 4th December. When did you pay this ?—We have not had a final statement yet ; it has not been paid yet.

8718. You pay on delivery ?—We pay at a month.

8719. You belong to the Stellenbosch Farmers' Association, Mr. Micklem ?—The Stellenbosch Fruit and Wine Growers' Association, and the Stellenbosch Agricultural Society. I belong to both.

8720. You have said the farmer is his own manufacturer of the boxes ?—Yes.

8721. You get the shooks cut up and delivered to you, but the rest of the manipulation to make the boxes is done here by the farmer on his farm ?—Yes.

8722. The nailing together and the labelling ?—Yes.

8723. Outside the pieces in the shook being put there there is no manufacture done except by the farmer ?—Some of the farmers have them printed on the outside.

8724. Have you tried to have this printing done in the country ?—No.

8725. What percentage of your production is this 15 per cent. ?—It is a seventh —14 per cent.

8726. Do you consider it a direct tax on the producer ?—Certainly.

8727. A duty on fresh fruit—hard fruit—has been advocated. Are you in favour of it ?—*Mr. Micklem.*] No. *Mr. Barry.*] No.

8728. You think the fruit grower can hold his own ?—*Mr. Barry.*] I think it is a wrong principle, and actually detrimental to us, for the reasons already stated.

8729. You are opposed to a tax on fresh fruit ?—Yes.

8730. You say you want the duty taken off tissue paper ?—Yes.

8731. You do not press that, do you ?—I would like to press it.

8732. It is a small amount after all. Can you tell the Commission how they can specially exempt you and still keep the tax on tissue paper required for other purposes ?—A local firm asked me to let him see my quotations from England for imported paper and he would compete, and I said I would be only too delighted. He said, " I can do this and that, but this article I cannot do unless we have a heavier duty on. We must have a heavier duty on that, because here we have to turn it over by hand, and in England it is done by machinery, which means keeping ten men here to one in England."

8733. You are referring to printed papers ?—Yes.

8734. You are not referring to ordinary tissue paper ?—No. All these things count up. They say we can afford all these things, but we have our duties on everything else to pay—our clothes and everything—and have to pay for these people we are breeding out here, and then have the duty on our industry as well.

8735. You know there is a duty on jam ?—*Mr. Micklem.*] Yes.

8736. It has been suggested there are certain pulps of red and black currants and raspberries which cannot be grown here, and that we should let them in free. Do you not think there is a danger if you allow this pulp to come in free—although, of course, it does not matter to you personally, but taking the farmers generally —that they might lose that protection that they get at present, that there will be firms who will use more pulp because they get it in free than they would otherwise have done ?—I think a small quantity of these special things coming in should not affect it.

8737. The Trades Commissioner has been referred to. Have you personally followed the work of the Trades Commissioner ?—Yes.

8738. Do you think, considering the short time he has been there, that he is doing the work satisfactorily ?—I certainly think so.

8739. And you think he might be of great assistance to the class of farmer who cannot export on his own—the smaller man ?—I think he will be of great assistance this year. The export of fruit this year will be treble because he is there.

8740. Are you sending your fruit to the Trades Commissioner ?—No, because I am a member of the Fruit Exporters' Association. But I am quite certain, as far as the small farmer is concerned—and with a lot of the big farmers perhaps,—that a lot of the fruit would not go to London without the Trades Commissioner.

8741. You have not dealt with him personally, but you think it has been a good thing to have him ?—Yes.

8742. Do you think it is advisable for us to have a man there who can watch the interests of fruit growers ?—I certainly think so, for a year or two.

8743. *Mr. Barry.*] I think he has been of great benefit to our Association by more or less pricking our agent up there and putting him on his mettle.

8744. He has been in competition with your man ?—Yes. The only thing we were afraid of was that the Trades Commissioner would clash with our agent, whereas we think the great principle of our Associations is centralisation and not to be at one another's throats in the English market.

8745. That is a minor thing; that does not affect the appointment of the Trades Commissioner ?—No.

8746. You think he has been of service to you and your Association ?—I think so.

8747. Is there any other suggestion that you can make to this Commission that might benefit the fruit industry ?—*Mr. Micklem.*] I do not think so.

8748. *Mr. Harlow.*] You said the 15 per cent. on boxes benefited no industry ?—Yes.

8749. Have you any idea of the amount of wood-working machinery there is locally ?—I say that because when I give an order instead of its being executed here it is executed in Europe. I have no other grounds for going on.

8750. You made a point in reference to the price of boxes you had received lately and your previous price. Do you not think the price may have been reduced on account of importing machinery to compete with oversea importations ?—It may be so. I say I am prepared to accept that quotation.

8751. Prior to receiving that quotation, will you tell the Commission to what extent you ordered boxes locally ?—Our order from our Co-operative Society was £900.

8752. But in previous years ?—It was less; perhaps £500 a year before.

8753. You asked for quotations for that amount locally ?—Last year we did. We asked for quotations for the quantity that we eventually ordered.

8754. And a year prior to that ?—I doubt whether we asked for quotations locally the year before; I do not think we did.

8755. You also said it was difficult for the fruit grower to bear up under the present taxation. Will you tell us what direct taxes you pay to the revenue independent of the boxes ?—We pay our proportion of the taxation on everything coming into the country the same as other people.

8756. Do you not grow a great deal of your requirements on your farms ?—No. Our farms are not adapted for it. We only grow fruit. We grow a few vegetables.

8757. You do not grow your own cereals ?—No.

8758. You say this tax on boxes is 14 per cent. on production. Will you explain what you mean by production ?—The production of grapes costs us per pound 15-40ths of a penny—practically ⅜d. The duty is 2-40ths of a penny per pound. That is practically one-seventh.

8759. And the selling price ?—The sale price is very difficult to say.

8760. Tell us what you get for a twelve-pound box of grapes oversea. What did you get last year ?—I can tell you the maximum and minimum prices for the last three years. We have been down to 3s. a box and up to 12s. You might take a fair average for everybody all round of 7s.

8761. To produce that it costs you 15-40ths of a penny ?—It costs us that to produce one pound. To produce twelve pounds it costs twelve times that, which is 4½d.

8762. That is what it costs you to produce the box of grapes ?—That is the farm cost of production. That is the minimum.

8763. The box costs you what ?—The box to carry it costs to-day we will say 4¼d., although we have paid 8d.

8764. And the railage and freight on these goods ?—Freight 1s. 6d.

8765. According to that, the cost of producing and sending oversea a twelve-pound box of grapes would be 2s. 6d. ?—It is a little more than that, but you may say 2s. 6d.

8766. You receive for that 7s. ?—Yes.

8767. A very fair profit ?—Yes.

8768. And yet you object to paying 15 per cent. on the boxes ?—But for every box of grapes we export we may sell ten in the Colony.

8769. Can you give us the percentage of your fruit you send oversea or packed in boxes ?—Fruit packed in boxes I should think we send over 1-30th.

8770. What becomes of the remainder ?—That we sell in the Colony.

8771. *Dr. Viljoen.*] Do not you perhaps mean one-third and not one-thirtieth ?—For every one box we send Home we distribute in South Africa thirty. I am only giving that roughly. I think that would be about what we do.

8772. *Mr. Harlow.*] The local consumer takes up the remainder over what you send Home, and it is also used for wine ?—Yes. Of course you only pack a small percentage of your grapes; the rest go for wine.

8773. Is that the proportion for all fruit ?—That is about the proportion for all fruit.

8774. I think you said you would not press the point about the duty on paper ?—The cost affects us very little. It is only a question of principle. If there is any difficulty in differentiating between ours and other people's, it would be absurd to press it.

8775. You have no objection to contributing a little to the revenue of the Colony in that line, I suppose ?—I think I contribute as much to the Colony as any one else.

8776. It has been stated in evidence that the local producer could produce all the fresh fruit that is required for the South African markets. Do you think that could be done ?—He cannot to-day.

8777. Do you think he will do eventually ?—I think it is quite possible.

8778. You do not suggest any duty on that. Until such times as they can produce it you would have the tariff remain the same as now ?—Personally I should.

8779. In reference to raspberries and currants, it has also been stated in evidence that the district of Stellenbosch and below the Hex River was adapted for the growing of this particular fruit ?—I can only speak for the district of Stellenbosch. All those fancy things you can grow in corners, but for commercial purposes it has been tried over and over again unsuccessfully.

8780. We had it in evidence that they were placed on the Cape Town market, locally grown ?—There may have been a basket or two, but practically nothing. They are not grown.

8781. You have experimented with them ?—Yes.

8782. To what extent ?—They have been imported and tried in several places. Hill, on his farm "Nazareth," grew a few raspberries and they did not do well. Mr. Merriman grew some. Commercially these fruits are not grown here.

8783. You have no objection to these pulps coming in duty free ?—It is a matter I hardly feel qualified to speak on. I think, if the jam manufacturer is protected by a duty of 2d. a pound, you cannot blow hot and cold. If he has protection on one side perhaps we should be protected on the other article.

8784. But if you are not producing that article ?—If we get these pulps in free the manufacturers may use that fruit instead of our products. I think that is quite possible. I do not know the cost of bringing them in. If that keeps that fruit up to the level of the cost of our fruit I should have no objection.

8785. Have you a good fruit season this year ?—A very poor one. We have had hardly any stone fruit.

8766. Do you think you will be able to supply the demand here this year for jams, etc. ?—For jams, yes. They only take a mere trifle. I take it from you one jam manufacturer takes 1,500 tons of fruit.

8787. *Mr. Tod.*] Then there are ten manufacturers ?—I take it there are farms producing a thousand tons of fruit in a single year—not districts, but farms. I never heard of the jam manufacturer who could not get all the fruit he wanted.

8788. *Mr. Harlow.*] You are large exporters of fruit, and you have an agent on the other side ?—Our Association has an agent.

8789. You do not take advantage of the Trades Commissioner ?—We have had our agent for six years, and the Trades Commissioner has not been there a full fruit season.

8790. Do you think you will take advantage of him eventually ?—I think eventually there will be one man who will attend to the distribution of fruit going from here. I think that is the tendency.

8791. *Mr. Scott.*] Will you tell us how many hundred pounds worth in value of boxes your Association imports for the season ?—The season that has gone we imported about a thousand pounds' worth.

8792. Do you know how many boxes come into the Colony altogether ? One of the Commissioners gave you the amount in value—about £39,000 or £40,000. Are you in favour of taxation of any sort ?—Taxation is absolutely necessary; you cannot do without it. I do not think any man is in favour of being taxed, but he feels it is a necessity and therefore does not kick.

8793. The bulk of those people tell us they do not want the duty taken off boxes ?—The bulk of the fruit farmers ?

8794. About £38,000 worth of boxes come into the Colony, and you only require about £1,000 worth of that ?—We are only a small proportion.

8795. You are the only people wanting it off ?—Take the Cape Orchard Co.

They paid £6,000, which is £900 in duty. Do you mean to tell me they do not want the duty off ?

8796. You say you are never able to get quotations for boxes locally ?—I did not say that. I have always got quotations.

8797. You said you could not get quotations locally ?—I did not say so. I have produced quotations which I got locally.

8798. You know about making boxes ?—Yes.

8799. You told the Commission two men would do all the boxes required ?—For the fruit-growing industry, I said.

8800. I will take a sample box. How many feet of cutting are there in it ? If you take a thousand boxes it represents at least 12,000 feet of cutting ?—Yes.

8801. How will two men produce all your boxes ? Is the answer logical ?—Because of the machinery.

8802. Is it not a fact that you have quotations cheaper this year than ever you got before ?—I have produced them.

8803. Have you accepted any ?—This quotation was sent me about a fortnight ago. Mr. Scott's traveller came to me the next day. I told him it was no use coming then, because we had ordered for the season, but that if he would make these quotations for next year I had no doubt he would get the order. He said he would let me know next day, and I have never heard anything more. Mr. Scott can say whether he will quote this again.

8804. Do you remember another occasion, in a previous year, when you ordered boxes ?—I know we had several interviews.

8805. You have tried strongly to get the duty off ?—Yes.

8806. You remember a former occasion when you asked if 150,000 boxes could be made ?—It may be so ; I do not remember. I remember the interview, but do not remember the details.

8807. You remember an interview with myself ?—Several interviews.

8808. Do you remember it was put to you if a certain firm would undertake to make your boxes locally would you give the order then ?—It may have been so.

8809. You remember walking down Parliament Street with me, and on parting from me you said if the boxes could be made for that amount you were willing to place your order ?—I am always willing to place my order in the country, in fact I did this year.

8810. An offer was made to make your boxes as cheaply as you could import them—150,000. Did you accept that ?—I do not admit that that offer was made.

8811. I was pressed into a corner to give an answer about the boxes, and so were you. I said the firm I represented would make them, and you drew out ?—I do not think I did.

8812. You never placed the order ?—I did not have the offer.

8813. You have had offers since ?—Yes.

8814. Have you tried to place your orders with the local suppliers ?—We actually placed the order last year with a local firm.

8815. And they were all imported ?—Yes.

8816. You placed the order under the same conditions as you would import them ?—At their quotation.

8817. Did you pay cash for them ?—We paid part cash. I do not think that makes any difference. We pay as they ask us to pay.

8818. You send your money oversea with the order for the boxes, or else pay on delivery ?—We always had ninety days.

8819. I suppose your boxes have to be made out of the very best wood ?—We stipulate they must be.

8820. *Mr. Barry.*] Wood which does not smell. As a matter of fact, I believe it is made at Home out of scraps. It is good wood. It does not smell.

8821. Are scraps always the best of wood ?—*Mr. Barry.*] They are ends, but it is good wood. They are waste pieces.

8822. There are some local boxes here. Would you please examine them ?—*Mr. Micklem.*] Here is a peach box which is no use to us and never will be. It is planed up rather neater than we buy, but there is no object in that. The second peach box produced would suit us.

8823. Is it better than the box you import ?—No.

8824. It is better planed ?—Yes. But if they saw smoothly we do not want them planed. Of course it depends on the sawing.

8825. Will you tell us what wood that is ? Is it imported ?—I do not see how any one but an expert could tell. I do not know the difference.

8826. What is there about the one box which does not suit you ?—You can see it is all warped.

8827. *Mr. Barry.*] You would be able to pick out pieces which would make good boxes, but the large percentage is not satisfactory for boxes.

8828. But if you get thousands of boxes like those boxes, will not you be satisfied ?—*Mr. Barry.*] Yes, but I only know from experience that we will get split wood.

8829. Do you get your boxes in shooks ?—Yes.

8830. Is it necessary to have your boxes nice and clean ?—Yes, but not so nicely planed.

8831. If it is necessary to have nice, clean boxes why do you import them on the deck of the vessel, where they get all the coal dust ?—The fact remains that they come to the farm clean. The outside of the shooks may be dirty in places, but the fact remains that our boxes are clean on arrival.

8832. Would I be wrong in stating that the boxes arrive in bad condition—all split and cracked—if imported on the deck ? Mr. Kayser, as an importer, can confirm me in saying that it is so ?—I only know the boxes come to hand clean, with a very small percentage of split and cracked wood.

8833. We have been told by other witnesses that the Colonial-made box is very dirty and inferior, and that the wood splits and will not hold nails. You have said that box is good enough. Still, you are prejudiced, and would not give the local makers any opportunity ?—*Mr. Micklem.*] That is hardly fair, because we did give the local maker an opportunity.

8834. *Mr. Kayser.*] My name was mentioned, and it is only fair for me to say, as an importer, that goods carried on deck usually are discoloured, but it is usual to carry on deck only such heavy lumber as will not depreciate by the sea water, which naturally washes over it. As far as you are concerned you have no control over the way your goods come out when they are imported ?—No.

8835. So any saving made in the freight by carrying the goods on deck is not made by you ?—No, but if they came dirty we should not accept them. We get a quotation for delivery.

8836. You do not get a quotation on the basis of goods coming on deck, so that you would have to take the risk ?—No.

8837. When you order your goods you do not have an understanding that they shall be imported in any particular way ?—We have no understanding. We have a quotation, which we accept or decline, and all we have to look at is the delivery,

8838. You simply get the price c.i.f. Cape Town and pay the charges thereon ? —Yes.

8839. As a matter of fact you import on commission ?—Yes.

8840. When you ordered those boxes, the invoice of which you produce, did you understand where they were going to be made ?—We knew they were being imported.

8841. You ordered them knowing they were going to be imported ?—Yes.

8842. With regard to the offer which you had to have your boxes made here as cheaply as they could be imported, why did you not accept the offer ?—We had no offer. We bought the cheapest we could get.

8843. Was the offer a definite or indefinite one ? Was any price quoted ?—No.

8844. And you, as an importer, would prefer to have a price named rather than an uncertainty ?—Certainly.

8845. So an offer to give you the goods as cheaply as you could import from any one else was not one you could entertain ?—No. Our Society must have a definite price, because it has to give these prices to the members.

8846. What is the matter with the box produced which is not satisfactory ?—The lid has warped.

8847. Is it absolutely necessary that the wood should not warp ?—Yes.

8848. You said you objected to a duty because it benefited no particular industry ?—Yes.

8849. Why ?—Because we pay a duty and import the stuff. The 15 per cent. duty does not enable the local man to produce it as cheaply as he can import it.

8850. We have had it in evidence that a number of people would be prepared to take the Colonial article at equal prices. On the other hand, a number of fruit growers have said they prefer the imported article ?—We prefer always to deal in the Colony if we can.

8851. A number said they were prepared to take the Colonial article at equal prices ?—Yes.

8852. Do you know in what way the timber is imported for the boxes shown here ?—I do not know ; I suppose in bulk.

8853. If it were imported in larger pieces than you see here and sawn up for the boxes, would that be any benefit to the Colonial industry ?—It would benefit the Colonial industry.

8854. So the sawing of this wood would, to a certain extent, put some money into the pockets of the manufacturers in this country ?—Yes.

8855. If by getting that wood imported in the rough and sawn here you were in no worse position than you would be by importing, surely you would not object to paying the duty ?—I should object to the tax, personally, to support this industry.

8856. I want to put it to you : Do you call this a protective tax ? Can you reasonably call the 15 per cent. a protective tax ?—I think so.

8857. You pay the same *ad valorem* duty on other articles, such as articles of clothing ?—Yes.

8858. To be perfectly frank with you, my view is that this 15 per cent. is not a protective tax, but an *ad valorem* tax ?—I consider it is a direct tax on the fruit grower.

8859. But at the same time it is not a higher tax than the ordinary revenue tax of the country—as I call it—because we look upon the *ad valorem* tax as a revenue tax. You have pointed out clearly that this tax had an adverse effect on the fruit industry ?—Yes.

8860. You consider it is detrimental to the fruit industry ?—Yes.

8861. Would you be prepared, for the benefit which will accrue to the fruit industry by the abolition of the 15 per cent. duty on shooks, to agree that the duty be abolished also on other boxes, or do you want it for the fruit industry only ?—Personally, I am representing the fruit industry. I think it must also be a direct tax on the others.

8862. You think all boxes should come in free ?—Yes.

8863. You think that should apply all round ?—Yes.

Mr. Barry.] My point of view is that why these other people give evidence the other way is because they are keen on protection, and while they are protected they must expect protection right through.

8864. It has been pointed out to you that one large Colonial industry is using more than half the shooks coming to this country, and you think that should be covered as well as your own industry ?—*Mr. Micklem.*] Yes.

Mr. Barry.] My reply is not yes, because we do not ask for protection for the fruit industry, but I think if other industries are protected it is legitimate for revenue to be raised by taxing their boxes.

8865. You would like to distinguish between the boxes imported for fruit and for other purposes ?—*Mr. Barry.*] I am only speaking of the fruit industry.

8866. Is not this fruit export industry a fairly remunerative business ?—*Mr. Micklem.*] Some years very good ; some years very bad.

8867. The appointment of the Trades Commission has been very satisfactory ?—Yes.

8868. It would not mean that the fruit industry would be jeopardized if this duty were kept on ?—Not for export, but there is such a small profit on the local market.

8869. Would you be satisfied to have a rebate on the boxes imported for export ?—That would not meet us.

8870. This Trades Commissioner has been employed mainly to look after the South African-grown produce, including fruit ?—Yes.

8871. Do you not think it is reasonable the fruit-growing industry should bear a portion of the taxation in that respect ?—As far as we are concerned, we do not employ him.

8872. Do you, Mr. Barry ?—*Mr. Barry.*] No.

8873. Is a commission paid ?—*Mr. Micklem.*] I do not know. *Mr. Barry.*] I think that would be a fairer basis—to make a direct charge for those using him.

8874. You think, at all events, if he were employed for particular people they should pay a certain charge ?—*Mr. Barry.*] Yes.

8875. You made a point, Mr. Barry, which I am not quite sure was right. You said the boxes made oversea were mainly made from the oddments in timber ?—That is what I understand, and also the wood we have had is undoubtedly scrap. We have had scraps of other old boxes and things.

8876. You think that enables the people on the other side to sell more cheaply ?—I think so, because of the fact that it is a waste product.

8877. You have been very plain about it. You do not seem to care much about protection. Is it your view that no protection should be given to manufacturers in this country ?—I think for the purposes of revenue, and to foster industries which are really natural to the country and which are wanted. A ship has a boiler and steam pipes carrying the steam to different parts of the ship. The steam pipes are a necessary evil, and the more of them you have the more the tax on your power. I will open trades as the steam pipes of the country. You must have them. You do not want to foster them unnaturally; they will grow naturally.

8878. Do you mean you are not in favour of fostering industries which use raw material not produced ih this country ?—Yes.

8879. Notwithstanding the very free trade expressions you have given, you are not opposed to protecting manufacturers making use of the products of South Africa ?—It is very difficult for industries to start with the competition they have, and it is necessary to protect them to get them on their feet, but I think it is a matter requiring grave caution, and you must not protect all things promiscuously.

Mr. Micklem.] Where the raw material is produced in the country, those are distinctly the manufactures we are entitled to protect.

8880. You said protection was of no use until we had the population. You mean industries which import the bulk of their material must depend on having the necessary population to consume their wares if they are to be protected ?—*Mr. Barry.*] I mean by protecting, to breed industries and create a population of tailors and chemists is, I think, a wrong principle. It is the wrong end to start. You must have a certain number of those people. They are all a drag on the country, and the fewer of them you have the better off we are, and our producing power goes further.

8881. You have a very great fear that Natal, with her cheaper coolie labour and cheaper coal, will be the home of industries if there is heavy protection ?—Yes.

8882. You have thought the matter out ?—That is my opinion. I think you will find a great deal of soap and candles—which we have been protecting with a view of fostering the industries in this Colony—at East London, for instance, are imported from Natal instead of from King William's Town because they are cheaper.

8883. Your objection to the protective duty on fruit boxes is that it does not use the South African-grown timber ?—Yes.

8884. With regard to the invoice which you produce, Mr. Micklem, what is the date of it ?—*Mr. Micklem.*] 4th December, 1907.

8885. The first cost of these boxes on the other side was £110 15s. 1d. ?—Yes.

8886. The charges thereon, exclusive of commission, amount to £57 14s. 10d. ?—Yes.

8887. Of course, in addition to that is the commission charged by the local agents for the work they have done ?—Yes.

8888. Of the £57 14s. 10d., how much is duty ?—£16 12s. 4d.

8889. That leaves £41 2s. 6d. as the cost of importing those goods. That amounts to about 37½ per cent. ?—About that.

8890. If the boxes are made here there is 3 per cent. charged on the shooks ?—Yes.

8891. So if we are told that the labour in the manufacture of the boxes comes to 50 per cent. or 70 per cent. it does not look correct on those figures ?—It does not seem to me correct.

8892. Then there must be some mistake in the proportion of labour which has been given us ?—I think so.

8893. You have said clearly you are not able to say how much a man can make ?—No.

8894. *Dr. Viljoen.*] The Trades Commissioner is for other things than fruit ?—Yes.

8895. You were asked by Mr. Scott why you did not ask for quotations in 1905 ?—Yes.

8896. Were boxes made here in 1905 ?—No.

8897. That is why you did not ask for quotations ?—I take it so.

8898. You say you cannot produce all the fruit for the market. You do not mean the fruit in bulk, but all the varieties and in the season ?—Yes. At times we produce too much, but at other times not enough.

8899. Mr. Scott made a point that you only represent £1,000 worth of fruit boxes. You do not represent all the fruit exporters here ?—Only a very small section of them.

8900. Perhaps you only represent 5 per cent. ?—Our order for £1,000 worth is only what I call for a moderately small grower. That does not include people like the Rhodes Fruit Farms or the Cape Orchard Co., or any of the bigger growers.

8901. *Mr. Harlow.*] I think you said the 15 per cent. on wood boxes was considered a protective duty ?—I said a direct tax on the grower.

8902. You also said it was a protective duty ?—I should look upon it as a protective duty.

8903. Do you know what the duties are in the other British Colonies ?—I do not know details. I know in some of them they are very heavy.

8904. Do you know our duty on boxes is the lightest of any British Colony ?—That may be ; I do not know.

Mr. Barry.] New South Wales, when she was a thriving Colony, was a free trade Colony.

8905. Now it is 20 per cent. under the Federal Government ?—*Mr. Barry.*] She has altered it (her Fiscal Policy), and I think with great regret.

8906. *Chairman.*] There was one point. Have you given fair consideration to the box-maker in this Colony ? You admit the fruit industry will develop. Do you not think the box-making industry will develop ? Have they had time to make boxes ? They have had to import machinery, and now you have quotations to compete with the imported boxes. Do you not think that industry may develop ?—The fruit grower objects to the duty if it is only to support the timber merchant, because he has a much larger interest in the country than the timber merchant.

8907. Would it be fair to say that all timber, manufactured or unmanufactured, should come in free ?—Our timber is unmanufactured.

8908. It comes in at 3 per cent. ?—Yes, but with a special exception that shooks for box-making shall come in at 15 per cent.

Percy Rodbard Malleson, Fruit Grower (representing the Western Province Horticultural Board and the Western Province Preserving Co.), examined :

8909. *Chairman.*] Will you state to the Commission what points you wish to bring before them ?—I would first very strongly object to the 15 per cent. on box wood, as we consider it is simply a tax on the fruit industry, which is only a new and struggling industry, and not in a state to bear a direct tax of 15 per cent. I consider it is not a protective duty for the box-makers, because as far as this year's quotations go the local box-makers cannot produce boxes as cheaply as we can import them. I would be only too glad if it were possible to buy boxes from local people, but unfortunately the price so far has not been satisfactory, as the quotations for boxwood have all come so late in the season that it is impossible for any big grower to order from the local box-makers. Last season we asked for quotations from local box-makers in March. We received no reply from any box-maker in the country. We wrote to several and still received no reply. The season was getting on, and we could not be left without our boxes, and we had to cable Home for quotations and had to ship out from Home, much against our wish, because we would have preferred, if we could have got satisfactory articles, to have got them here. By practically the beginning of the season, when it was too late for quotations to be entertained, we got quotations from local box-makers above what we could import for. I think it was the 25th November. Then I am sorry to say last year we did get a few boxes from local box-makers, but with very unsatisfactory results. In many cases the boxes were not according to specified size and they were not delivered at the dates when they were promised, and I think almost the worst case was in regard to prune boxes. Instead of being made of proper wood, they were made of ceiling boards, with the ordinary ceiling board markings on the boxes, which of course were absolutely unsuitable to put prunes in. I am bringing forward these points to show that it is impossible at the present moment for big growers to employ the local box-makers. I say the tax of 15 per cent. is a direct tax on the fruit. I would like to draw attention to a Proclamation which has just been issued by the Railway that preference will be given to fruit packed in boxes. It is, therefore, the wish of the Government to encourage the use of boxes against baskets. But at the same time, though the Government encourages us by carrying the boxes of fruit cheaper than fruit in baskets on the

Railway, it discourages the use of boxwood, which is a great advantage to the grower—in the way of preventing insect pests, for instance—and which are more easily conveyed, by putting on this duty. It is to the advantage of the Government to encourage the use of boxwood in every possible way. At present the cost of the boxwood is 10½ per cent. on the total selling price of the fruit.

8910. *Mr. Tod.*] Export or local ?—Local. The export is a very small thing at present. It is an important thing, and growing, but it is not the big trade. The big trade is the local market. I would like to point out that it would be very much to the advantage of the fruit growers of the Colony if we could have a duty on the import of apples, and also lemons, but apples especially. At the present moment apples can be brought from Hobart ,in Tasmania, to Durban for 1s. 4d. per case. If the same sized case is sent from Worcester station by rail to Durban it costs 2s. 9d. If it is sent from Cape Town to Durban by sea it costs 1s. 6d. Therefore, it is cheaper to put apples from Tasmania on the Durban market—and the same applies to all the coast ports practically—than it is for us fruit growers to send our fruit to these coast ports. At the present moment there is a very large quantity of apples being grown in the country, and the more progressive fruit growers are either having their own cold stores or using the cold stores in the different towns ; but it is absolutely useless to put the cold store Colonial apples against the imported article, and so there is a large industry being hampered very seriously for the want of a little protection against the importation of foreign apples. Last year, I think, there was something like £40,000 or £50,000 worth of apples brought into the country from various parts. That is as far as fresh fruit is concerned. With regard to preserving, we find that it is impossible at the present moment to can vegetables of any sort to compete with the imported article. There is a duty of 2d. per pound on all canned fruit imported into the country, but there is none on vegetables—or only a 15 per cent. *ad valorem* duty, which is not quite sufficient—and we consider there is a very large industry which could be developed in the country if a little assistance were given to the canning factories by a protective duty on canned vegetables. There is no question, for instance, that tomatoes can very readily be grown in this country, and quite a big industry could be developed in canning tomatoes if we had a little protection. At present it is impossible for the local factories to compete against the imported canned tomatoes when tomatoes are grown at something like £2 a ton in Italy and the South of Spain. I think the least we can grow them at is something like £3 10s. a ton, and at present we cannot compete. Therefore, I think there is a very big industry which could be developed with a little protection for a few years until the canning of vegetables should be developed. The canning industry at the present time has one or two things to contend with. Of course it has the same duty on boxwood and a duty of 25 per cent. on labels. Now labels we should be very glad indeed to get locally, but, unfortunately, it is impossible to get any varnished labels in this country. We are forced to import labels with a 25 per cent. duty. We are not asking for that 25 per cent. to be taken off the labels, but we think the Government would be doing wisely if a small bounty were put on all canned fruit exported from this country so as to put us on the same level as, say, Californian canners. There they have the tin-plate and everything at their door, and we have to import our tin-plate, and we have many expenses that they do not get. I believe a bounty of ½d. a pound would put us on a level with the Californian grower, and we could do a very large trade in canned fruit and canned vegetables in the London market. Our canned fruit compares very favourably now with the Californian canned fruit, and, gived equal facilities, I believe a very large export trade of canned fruit will be developed.

8911. *Chairman.*] Is there any other point ?—I do not think so.

8912. *Mr. Kayser.*] Your evidence covers the matter of boxes. You practically confirm what was said by the previous witnesses ?—Yes.

8913. You have heard their replies to the questions. Do you approve of them ?—Yes. We cannot get the boxes locally for what we can import for.

8914. You said you were quite prepared to take the local boxes provided the local manufacturers would supply them as good ?—And as cheap.

8915. But just before saying that, you said they could not supply ?—Last year they certainly could not.

8916. We have it in evidence that the box-makers have imported the very best machinery, and they can compete. You appear to be a bit sceptical ?—I think so.

8917. You say the price you were quoted in November this year was rather higher than what you could import for ?—Yes.

8918. That you are absolutely clear upon ?—Yes, and not only higher, but also their measurements are not satisfactory.

8919. Last year both the delivery and quality were very unsatisfactory ?—Yes.

8920. When were their orders given last year ? Were they given in the height of the season ?—In March. There were some boxes ordered in March from a local firm, and they were urgently required. The order was placed and delivery promised for the 23rd March, but it was not completed until the 18th April. That was last year.

8921. At that time, I understand, there was a difficulty about securing the particular kind of wood—this white wood. The ordinary redwood deal imported is unsuitable on account of the smell ?—Yes.

8922. You required them urgently, and I suppose other people were ordering large quantities ?—I should not think so ; it was rather late.

8923. Do not you think the manufacturer was over-run ?—No, because the majority of the fruit boxes would be ordered earlier in the season, and this would be too late for them.

8924. You think you should have a duty on hard fruit ?—Yes.

8925. What duty do you recommend ?—1d. per pound on apples and lemons. I can mention with regard to lemons that I saw two wires yesterday from a salesman in Johannesburg and another in Harrismith saying " Do not send up any Lisbon lemons grown in the Cape. The market it flooded with lemons from abroad."

8926. The figures you give us of the freight from Hobart to Durban and from Cape Town are absolutely reliable ?—Yes.

8927. You really ask for protection on citrus fruits and apples, even for fruit grown in the height of the season ?—Yes. It especially applies to cold store apples. There are large quantities grown in the country which fetch nothing at all on the local markets, and for which one might get a paying price if they were put into cold storage and kept for several months.

8928. It is the Transvaal market that affects you mostly ? The fruit entering Durban is really for the Transvaal market ?—Yes ; but not only that ; Durban itself is a good market, and all the coast ports.

8929. You do make use of cold storage for apples ?—We have cold storage of our own, but there are local cold stores all over the country, which have been used very largely for storing apples.

8930. But that does not do away with the favourable rate of freight from other countries ?—Hobart apples come in in competition with the cold store apples.

8931. What duty do you suggest on canned vegetables ?—I think the same as canned fruit—2d. a pound.

8932. We have it in evidence that 1d. a pound would help to foster the industry? —It would, but I think it should be put on all fours with the fruit.

8933. You would be satisfied with 1d. a pound ?—No. I think 2d.—at first, anyhow, to foster the industry.

8934. You mention you have had to pay 25 per cent. on labels ?—Yes.

8935. You want protection on your vegetables and you feel the protection to the printer is rather big on labels. You mentioned that varnished labels are unobtainable in this country ?—So we find.

8936. I understand it is possible to have them done in Cape Town. Do you know for certain it is not so ?—I know we tried everywhere we could last year and could not get them.

8937. You have not tried this year ?—I cannot say. I have just come back from England.

8938. You are in favour of a bonus on the export of canned fruit and jams ?—A temporary bonus, to establish the trade.

8939. Do you think a refund of the duty paid on all articles made use of in the manufacturing of these fruits and jams would meet the case ?—There is not very much duty on the raw material ; it is only the duty on boxwood and the labels.

8940. What bonus do you suggest ?—½d. per pound—as a temporary measure only—until the Cape Colony fruit is thoroughly established in the markets.

8941. Out of what fund do you propose to pay that bonus ?—It is hard to say. The reason is that it would be a very good investment for the country. You would be encouraging a very large industry. I have no hesitation in saying there will be a big industry in canning ; it will be a good investment for the country.

8942. Do you think they would be in a position to pay a dividend on such an investment ?—Yes.

8943. In what way is the individual taxpayer going to benefit ?—You will develop a very large country population. The fruit industry is only in its infancy. You have large tracts of land which can be developed, and fruit for canning can be grown as cheaply, and I believe cheaper, than in California. We can practically turn the whole of the Western Province, at any rate, into another California. The quality of our fruit is better. I am not giving my own opinion, but the opinion of some of the best judges in Europe, and I believe there is an enormous industry before the Western Province, with proper assistance.

8944. Even supposing that is correct. I happen to be a poor taxpayer in the Eastern Province. In what way will I get the benefit ? Take other taxpayers in the North and Midlands ?—It is to your benefit to have a prosperous Western Province.

8945. *Mr. Harlow.*] Do you know the total amount of fruit imported into Cape Colony for 1906 ?—I can only give you the total amount of apples—between £40,000 and £50,000 worth into the whole of South Africa.

8946. It is only £6,000 worth into Cape Colony ?—Cape Colony is only a small part of our market. Our market is the whole country.

8947. Do you know the amount of dried fruits that was imported ?—No.

8948. You make dried fruit ?—A certain quantity.

8949. You suggest ½d. per pound on dried fruits ?—I said nothing about dried fruits. I suggest 1d. per pound on fresh apples and lemons, and also on canned vegetables.

8950. Do you produce enough fresh apples to supply the requirements ?—In Cape Colony, yes.

8951. You said the requirements are not supplies ?—It is difficult to judge from one season.

8952. I am taking the last ten years, say ?—In the last ten years, to my knowledge, there have been about 300,000 fruit trees coming into bearing in a small corner of the Western Province alone.

8953. Eventually you will be able to supply the Colony without any protective duty ?—We can supply it now.

8954. Do not you do it ?—Yes, but my difficulty is that the storing apples compete with the Australian apples, and the Australian apples are brought to the coast markets cheaper than we can send them round by rail from the Western Province.

8955. Do you think that has to do with the depressed times ?—No. The absolute freight on apples from Hobart to Durban is cheaper by sea by 2d. than it is from Cape Town to Durban, and it is cheaper by 1s. 5d. than it is by rail from here to Durban.

8956. That is not the fault of the Customs ; that is the fault of the steamship companies. Do you send them all by sea or rail ?—Whichever is the cheaper. It costs 1s. 4d. to bring a case from Hobart to Durban and 1s. 6d. from Cape Town to Durban by sea. By rail from Worcester it costs 2s. 9d.

8957. Do you think an extra duty would meet that ?—It would give us a chance of competing with the Australian apples, which we cannot do now because Australia can put their apples in the Durban market cheaper than we can.

8958. If you cannot supply the requirements of the Cape Colony, why are you sending to the other Colonies ?—We are doing.

8959. How is it so much is imported ?—That is at a time when we have to cold store later in the season. If you sell all your apples when they get ripe there will be a glut.

8960. Have you tried the cold storages yet ?—I have been cold storing for the last four or five years in our own large cold storage. If you cold store for four or five months in order to supply the market all the year round your fruit has to compete with the imported apples from Australia and other places.

8961. With reference to the labels, have you applied for prices recently ?—As far as I know, yes.

8962. You suggest the tariff should be taken off ?—I do not suggest anything about the duty on labels. I simply mention it as a reason for helping us in other ways—the duty on vegetables and the duty off boxes.

8963. Who is going to consume your production of canned fruit ?—There is a very big consumption in the country, and there is a still bigger consumption in a place like England.

8964. If you get this suggested tariff on canned vegetables in what way will that affect the consumer here at present ?—On canned vegetables ? It will encourage the production of vegetables in this country.

8965. Is not a great amount imported now ?—Yes, but we could stop it and grow that here.

8966. Do you not think the community would prefer fresh vegetables ?—At certain times you cannot get them fresh. For instance, you can only get fresh asparagus for a month in the year, and canned asparagus you can have all the year round.

8967. Potatoes, peas, beans, and so on—you can get more than one crop a year of in the Western Province ?—I should not can potatoes. The vegetables we should principally can are asparagus, beans, tomatoes, peas perhaps, and a few other things.

8968. Can you get more than one crop of peas and beans a year ?—Yes, but you cannot get them all round. Also it is not only for the towns, but canned vegetables are useful for people trekking in the country and living in out-of-the-way places.

8969. They are always trekking past farms ?—No. There is a large consumption of canned things in the Karroo.

8970. *Mr. Pyott.*] I understand you want the duty taken off boxwood and also off labels ?—I am not so anxious about labels.

8971. Why make a difference between boxwood and labels ?—I should say it is possible to produce the labels in this country.

8972. You know we have to import all the materials for producing the labels, the same as the box-maker. Do you contend there is not the same percentage of Colonial labour in the box-making as in the labels ?—Yes, I think so.

8973. On the other hand, you want a duty on apples, which you say are being imported into this country to an enormous extent ?—Yes, £40,000 to £50,000 worth.

8974. The whole importation into South Africa for all fruits in 1906 was £34,000 ?—Between £40,000 and £50,000 worth of apples.

8975. Where do you get your information ?—From various sources.

8976. By statistical returns £34,000 was the whole importation of fresh fruit, and in that alone there was an amount of nearly £9,000 from East Africa, which is practically in cocoanuts ?—Those figures I have do not tally.

8977. You suggest 1d. per pound on apples ?—Yes.

8978. Would you press that question ? Is it of very great importance ?—Yes.

8979. Do you know the amount of apples which came in from Australia ?—Not only Australia, but all parts of the world. Apples came in from various places.

8980. To me you are a ltitle extreme in both cases ?—I want to see an industry in the cold storing of fruit helped.

8981. Is it reasonable that you want practically to get your boxes in for nothing and give no employment in this country to make them, and have your labels printed outside, and then want protection ?—My contention is that we cannot compete at the present moment in the coast ports with Australia without a duty, and at present every penny spent on apples is sent out of the country.

8982. And if imported apples still continue to come in with this duty on, the public will have to pay the extra amount ?—Yes.

8983. You think there would be sufficient apples in the country to cover all the requirements ?—Absolutely. There is four or five times the amount of apples we could store in our cold store now.

8984. Your idea is in building up a tremendous country population like California ?—Yes.

8985. Are you making any allowance for a town population, such as manufactories ?—Yes. My point is it is partly manufacturing : it is canned fruits.

8986. But you do not get your labels printed here and your boxes made. You are not going to have nothing else but a rural population ?—I believe you would, because I think in future many of these things will be done.

8987. Why not give the protection to-day to do it ?—The fruit industry is not in a position to stand it. It is just beginning to feel its legs. Of course, people see the high prices that are obtained in the London market and they imagine the fruit grower gets these prices right through, but the bulk of the fruit goes to South African towns. The depression of the times affects the fruit grower almost more than any one else, because people regard fruit as a luxury, and when they are a little hard up they stop buying fruit, and the fruit grower loses at once.

8988. You think there should be a bounty on the export of canned fruits ?—That is if we are anxious, as I think we ought to be, to secure the European trade.

8989. Is it necessary ?—I think so.

8990. Would you also have it on jams ?—Certainly.

8991. Would not a rebate on the sugar cover all the bounty you require ? We had a suggestion from a manufacturer that 2s. per hundred pounds exported would be a great inducement to jam manufacturers to export jams. Would the same on canned fruits suit you. This is from a practical man, and he knows exactly how much sugar there is in a hundred pounds of jam ?—I think it might.

8992. It is ¼d. a pound ?—Yes.

8993. That would be an inducement for us to export our jams ?—Yes.

8994. The difficulty to-day is that you cannot find good markets internally ?—To a certain extent. There is a fairly good market, but in a year or two's time it will not be sufficient for the production.

8995. Last year you had tons of fruit rotting on the trees ?—Not ourselves, but that did happen in the Western Province.

8996. Something like 50,000 tons of fruit was offered to a jam manufacturer if he cared to take it off the trees, and he did not care to do so because he could not find a market ?—Yes.

8997. Regarding the importation of pulp, are you in favour of allowing pulp of raspberries, black and red currants and gooseberries to come in free ?—I do not think it would do any harm, because they are not grown in the country.

8998. Do you not think if we take away the duty on pulps they will be brought in to the detriment of the growing of fruit in the South African Colonies ?—Possibly. I would not like to give a definite opinion.

8999. You know to-day there is a considerable amount of imported jams consumed ?—I know.

9000. What is the reason, seeing the big difference between the prices of the Colonial and English jams ?—I should say to a certain extent it is the same thing that applies to canned fruit—prejudice. People are prejudiced in favour of the imported stuff.

9001. Do you not think it is because these people have been accustomed to these English fruits ?—To a certain extent.

9002. And if you allow the pulp in free it is bound to act detrimentally to the fruit growers ?—Yes.

9003. You enjoy privileges on the railways. Do you wish them continued ?—For the present.

9004. You get your fruit carried at a low rate ?—Yes.

9005. Your empties are carried one way free, I think ?—Yes, but the majority of the better class fruit farmers now do not get returned empties at all. Of course, with regard to the freight on the railways, though the present rate is a very small one—for instance, from Hex River to Cape Town it is very slight indeed—you take it the bulk of our fruit goes to places like Bulawayo and Durban, and you find your freight is a very considerable item. I think it is something like 15 per cent. of the selling price of our fruit.

9006. Colonial-made boxes are carried 20 per cent. cheaper than the imported on the railways ?—Yes.

9007. Is that any advantage to you ?—Yes. I think I should support that.

9008. With regard to the length of the tariff, have you any idea how long it should be fixed for ?—Not longer than three years.

9009. Would that be sufficient time to develop your fruit industries ?—I think while development is going on so fast it would be unwise to fix it for too long.

9010. Would you take all duties off after that ?—No. I do not see the object of your question.

9011. Manufacturers tell us they want a certain number of years to put down plant and get an opportunity to produce ?—I think you will find the canning and jam industry will be thoroughly developed at the end of three years.

9012. You have not thought of it ?—No.

9013. There was a very large production of fruit last year ?—Yes.

9014. In consequence you called suddenly on some of the box-makers here to supply you with boxes ?—I mentioned one case.

9015. In March ?—Yes.

9016. In consequence they supplied your boxes probably out of wood which was not suitable—ceiling boards ?—Those were prune boxes, but that was not in the crush of the season. The boxes I called for in March were apple cases.

9017. You did not get delivery till when ?—They were promised for the 23rd March and the delivery was not finished till the 18th April.

9018. Were they made out of ceiling boards ?—No, but they were not suitable. The measurements were not quite satisfactory. With regard to the bulk of the boxes we asked for tenders in March for delivery now.

9019. I want to point out that the firm who supplied you probably had not the wood, because they used ceiling boards. What was the price of the ceiling-board boxes ?—I could not tell you.

Phillipus Albertus Myburgh, Farmer, examined :

9020. *Chairman.*] You wish to give evidence on the agricultural industries generally, especially with regard to cereals ?—Yes.

9021. Will you state to the Commission what you want to bring forward ?—The duty on wheat was formerly 2s. per hundred pounds, and then it was taken off. Since then the farmers are growing more oats every year ; they have no protection for the wheat and are sowing oats. I came last night from Caledon, and nearly every one there had a good oat crop, but not much wheat. They sowed much more oats than wheat. When I asked the reason they said, " We have no protection. It does not pay us to grow wheat." If they had a duty on wheat I can even say they will sow more wheat every year. After the duty was taken off wheat, the bread was raised in price. In Port Elizabeth, in April, I think, the small loaf was raised ½d. When wheat was very cheap the price of the loaf was increased. There was no duty on meat and people paid 9d. in town, and when there was 1d. duty on we paid 5d. It is against our millers to take the duty off imported meal and flour. There again it hampers the farmer, because the miller says he is hampered with the imported meal ; it can be sold here so cheaply. We do not like to have that, because we say the farmer is the backbone of the Colony and the foundation stone of the whole Colony, and people are dead against it that they are not protected. We shall have to have protection one way or the other. The farmers are one and all in favour of protection and if it goes on longer in the same way we will hardly have any wheat.

9022. You want it increased to 2s. ?—Yes, as it was before, and then we wish the preferential railway rates to remain.

9023. Is that all you want to bring before the Commission ?—There is the matter of the malt, which is imported for the same price as the barley, and brewers rather buy the malt than the barley, and that is against the farmers. They do not grow any malting barley because the brewers buy the imported malt.

9024. You think there should be an increase of duty on malted barley ?—Yes.

9025. Are those the only points you want ot bring before us ?—About the cereals, yes. I might say something about imported vehicles. I think the industries here are connected with the farming. I should like a good duty put on imported vehicles, because our tradesmen are walking about doing nothing. In the Paarl the shops are shut up two or three days a week because they have no work. They complain that the imported article is not taxed high enough. Then there is another little thing which concerns myself. There is invalid food which we cannot get here and which must come from Europe, and it is taxed 25 per cent.

9026. What sort of food is it ?—Diabetic food and meal. I give that more as an illustration. That which we cannot get here is highly taxed and what we can get is not protected.

9027. *Dr. Viljoen.*] What is the price in the Paarl which would pay the farmer to grow wheat ?—I think he cannot sell it under 20s.

9028. What are you getting to-day ?—I really do not know. It is very quiet now.

9029. What would the price of wheat have to be to pay the farmer to produce it ?—I say 20s. I worked it out that they got 16s. last year, and it does not pay them at all ; they are losing by it.

9030. Do you think the 2s. per bag duty on wheat being raised to the old tariff of 4s. per bag would be an inducement to the farmers to produce more wheat ?—Yes, because everything they have obtained protection on they have produced more of.

9031. Are you satisfied with the duty on barley, oats and mealies ?—Yes.

9032. Do you think the increased production of mealies and oats was due to the increased duty put on them ?—Yes.

9033. You mean that is an example? If we raise the duty on wheat will it induce the farmers to grow more?—Surely.

9034. Is there not the great difficulty of the rust to contend with?—Yes, there is that difficulty.

9035. Would they grow more wheat in the Paarl than they are growing at present?—Yes.

9036. Can they grow more?—Yes, because a greater part are going in for oats. Some of the farms have not a bag of wheat on them.

9037. Are there other districts in the Colony where they could produce more wheat?—Yes.

9038. Where?—Take Caledon. Caledon has not half the wheat she should have.

9039. You ask for an additional protection on your wheat. Would you advocate a proportionate increase of the duty on meal?—Surely. We cannot leave meal out.

9040. In proportion as wheat is increased you want the meal increased?—Yes.

9041. You would keep the present ratio of duty?—Yes.

9042. You want a higher duty on malt. Do you grow barley in the Paarl district fit for malting?—I do not know now whether they grow it for malting. It was tried, but they did not grow much. At Worcester and Robertson they grow barley.

9043. Do you know the districts?—More or less.

9044. Do you think they could grow barley in quantities?—Yes; if they get protection they will grow more.

9045. By putting an additional tax on malt will you compel the malster to buy the barley?—Yes.

9046. Then you told us you were perfectly satisfied with the other cereals?—Yes.

9047. And are you satisfied with the duty on potatoes?—Yes.

9048. Would you advocate the abolition of the preferences in the railway rates?—No; I would leave it as it is.

9049. Do you think you, as a big farmer, will be greatly injured if the preferences are taken away and your stuff is carried at the same rate as the imported article?—It will be dead against the farmers.

9050. Do you know the duty on vehicles?—I really do not.

9051. The duty on carriages, carts and coaches is 25 per cent., and for second-hand carts, coaches and wagons £10 a vehicle and 15 per cent.?—That might do for the second-hand, but for the others I do not think it is enough.

9052. Do you mean to say the £10 and 15 per cent. *ad valorem* is not sufficient? That means if you have a second-hand carriage coming into the country costing £30 you have to pay on that £14 10s.?—Will not they send in a new vehicle as a second-hand one which has been used once in a street?

9053. Do you think that is sufficient protection?—If they send me an old rickety thing it is enough, but not for a new one. I have seen second-hand vehicles coming in as brand new as you could find.

9054. Do you think the second-hand vehicles are fraud?—Nothing more than fraud.

9055. They take a drive down Regent Street and then take it to the docks, and it is a second-hand vehicle?—Yes.

9056. You think 25 per cent. is too little?—Yes; I think they could put on more.

9057. Do you not think that would be a hardship on the cheaper kinds of vehicles? It has been brought to our notice in the Eastern Province that these poor people buy a little imported cart for £7 10s.?—And on that they have to pay 25 per cent. I do not know what I would say about the poor people. I think they could make every vehicle in the Colony, and the industry should be protected. America is protected from end to end, and all the American stuff is sent in here, and we must pay for it.

9058. Do you know anything about acetic acid?—Very little. I know they make vinegar from it.

9059. You do not know anything about the duty on it?—No. But I know the vinegar is not good.

9060. *Mr. Kayser.*] Do you know what these vehicles are made from?—I think from wood and iron.

9061. From Colonial wood and iron ?—Yes, of course. They use a lot of Colonial wood.

9062. You are sure of that ?—Yes.

9063. We have the cart builders coming here and asking us to let the imported wood and spokes and stuff come in free ?—If they want it I will say nothing.

9064. You say they are out of work ?—I say we should be protected for our wood.

9065. They tell us they cannot get wood. They ask for American spokes, rims and bows to come in duty free because they say they cannot get the Colonial wood to make them here ?—I am surprised to hear that. I know they had American spokes and naves, and the carts made from those are no good. I can show three carts made of them and they are no good.

9066. You say by putting a duty on things they will produce more here ?—Yes.

9067. Everything ?—Our cereals.

9068. Do you think with a duty on carts they will produce more ?—They will make every cart. They can sell more, but I think they have an amount ready-made which they cannot dispose of.

9069. And a duty on fruit boxes ?—They can make them, yes.

9070. You say you want the railway preference continued ?—Yes.

9071. Do you know the reason the duty on wheat was made 1s. ?—No.

9072. You know wheat had a special preference over and above oats on the railway ?—I think Colonial oats had the same preference.

9073. No. We had it at a lower rate than oats because wheat was only 1s. ? —The railway rate was there before the duty was taken off wheat.

9074. The rate on oats was ¾d. and the rate on wheat was left at ½d. because wheat was 1s. If the duty on wheat were raised, you would not object to the rate being raised ?—I would. It should remain as it is. I think our Colony should produce everything we require, and if we are not protected we shall not have it.

9075. *Mr. Scott.*] Do you represent any other farmers in your district ?—I belong to the Farmers' Association, but I only got my notice to appear last night. I am not representing them here to-day.

9076. Perhaps you can tell us what the Association think of the duty on wagons and carts. Do they want the duty to remain ?—They wish it to remain.

9077. That is the opinion of the Association ?—That is only my private opinion, but I think the Association will have the same opinion. It is a pity I could not have got them together, as I would have represented them here to-day.

9078. *Mr. Pyott.*] The duty on wheat to-day is 1s. ?—Yes.

9079. And you want it increased to 2s. ?—Yes.

9080. You think a farmer cannot produce a sack of wheat under 20s. ?—To allow a little profit; to allow him to live.

9081. The difficulty facing us is that the average price of imported wheat, landed in Cape Town, for the last five years has been 14s. a sack, and that with your 4s. duty is only 18s., which is 2s. below the price which will pay the farmer. Therefore are you satisfied with 4s. a sack ?—Yes.

9082. But if he cannot produce for less than 20s., how will he compete at 18s. ? —I made out an estimate that for the wheat which sold at 16s. there was no profit. If they got 18s. they might have a little profit.

9083. You first said 20s. ?—I will stick to that.

9084. Are you satisfied with the 4s. duty on imported wheat ?—Yes,

9085. And suppose imported wheat comes in at 14s. ?—We cannot help it. We will have to find it as we do now—coming out without anything at the end of the year.

9086. You said the price of bread in Port Elizabeth was raised in April ?—Yes, I think so.

9087. Have you any authority for that ?—Yes, because I was there in May with the Agricultural Union, and the week before that it was in the paper that the bakers were all raising the price.

9088. Have you any idea what the price of bread in Port Elizabeth was at that time ?—I forget, but I think they raised the price.

9089. I suppose you are aware the price of wheat has been going up ?—It was not going up then.

9090. Have you heard what the price is to-day ?—I hear they are getting 20s., and one party I heard got 22s. But they are not going to have it. As soon as the crops come in a couple of cargoes of wheat come in to compete with us.

9091. Do you know we require ten cargoes a month to keep South Africa going ?—Yes.

9092. Why mention two cargoes ?—It may be four or ten, but they just import at the time when the farmer must bring his wheat to market. Why should it come when the farmer is putting his wheat on the market ? From time immemorial it has been the same thing. I have sold my wheat for 13s.

9093. Can you tell me the average price for Cape wheat last year ?—16s. might be the average.

9094. What was the lowest point it touched ?—15s. I heard.

9095. What was the highest point ?—It was 16s. until it began to rise.

9096. Some of your farmers got 25s. ?—Not as far as I heard. I heard a man got 22s., and it was principally with a little bit of white wheat.

9097. If we put another 1s. per hundred pounds on wheat we will upset the whole of the Customs Union. Would you not be in favour of a small bonus to the farmers to produce the wheat ?—I do not know whether it will help us as much as the duty.

9098. Do you not think if the farmer knows he will get 2s. a bag from the Government for his wheat he will be satisfied ?—Yes, but if you do that you will have an empty Treasury. I do not like that suggestion ; I would like the duty.

9099. Then the public has to pay it ?—Yes, and then it goes into the Treasury. We should all pay it.

9100. *Mr. Harlow.*] Can you tell us how much wheat has been grown in the Colony on an average for ten years ?—I cannot tell you. I have no statistics here.

9101. Can you tell us what wheat has been imported into the Colony during the last nine months ?—No. I heard a lot.

9102. You do not know how much ?—No.

9103. And yet you ask for another 2s. a bag on wheat ?—Yes.

9104. And you do not know whether they can produce the wheat here or not ? —They will if they can get the protection.

9105. Do you know the amount of wheat and flour that has been imported during the last nine months is over 250 million pounds weight ?—Yes, and if you give us protection in a very short time you will not need to import so much. I can prove that many farmers who used to produce 400 or 500 bags of wheat are now only producing oats. That is because they cannot come out on the wheat.

9106. Is it not because oats do not require so much care ?—No. An English farmer in my district told me he was going to discontinue sowing wheat, and he has not sown it.

9107. If you get the 2s. per bag on wheat, how will it affect the working classes ? —It will affect them, perhaps, the same as meat. When the duty was put on meat they paid less. When the wheat duty was taken off the bread rose.

9108. We have it in evidence that if wheat was put at 1s. a bag, we should have to pay 10s. 6d. on the bag ?—He may have given that evidence, but who says it is correct ?

9109. If the wheat is raised 1s. a bag the price must be raised ?—If the duty is raised by 1s. I am sure the price of the bread will be lowered. I have seen wheat at 13s. and £2 and have never seen any difference in the price of bread.

9110. You are a strong protectionist ?—Yes.

9111. Have you any objection to paying a duty on your implements coming into the country ?—Of course not. If you put the duty on the ploughs and things of the farmers they will be hampered.

9112. You are a protectionist as long as it does not affect you ?—As long as it does not affect the farming community of the Colony.

9113. What about our engineers, who make the ploughs ? Have they not a right to live ?—Of course.

9114. Will not you give them protection ?—If they can produce them, yes.

9115. You have been in this Colony for a long time and you know they can be produced ?—I know they cannot. They tried it here and I bought the Colonial-made article, and they could not keep up. Cunningham and Gearing made plough shares and plough implements as far as they went.

9116. What did you pay them for their plough shares ?—I think 8s. 6d.

9117. And to-day you are paying 12s. ?—I do not know what it is to-day, because I am not farming. They might pay that now.

9118. Do you not think those people have a right to live as well as the farmer ? —Yes. If they can produce the things, protect them. I am an all-round protectionist. Then you may put any duty on my clothes; I never complain about that, or anything else.

9119. You are not a practical farmer at the present time; you have retired?—Yes, but I have my farms. My children are on them. I have the same interest in them as I had before.

9120. You think the other farmers are of the same opinion as yourself?—Yes. They might differ in little things, but I am sure they every one agree with me about the cereals

Francis Alexander Charles Guthrie, Secretary of and representing the Caledon Agricultural Society, examined:

9121. *Dr. Viljoen.*] You are the Secretary of the Caledon Agricultural Society?—Yes.

9122. And as such you represent the Society here to-day?—Yes.

9123. You are thoroughly conversant with the subject you are going to be examined on?—I presume so.

9124. Has any complaint been made with reference to the present duty on cereals other than wheat?—No. They are satisfied with the present duty on cereals other than wheat. They consider that that is sufficient protection for their particular industry; that is to say, of course, coupled with the preferential railway rates. They would, however, not like to see any reduction on the present rate of protection; they feel that the industry would not stand it.

9125. In the opinion of the Agricultural Society, has the duty on oats been a stimulus to the farmer to produce more?—Undoubtedly it has.

9126. Are you producing much now?—We took a very careful return by circularising the owners of threshing machines in our district, and we got a return showing that 476,000 bags of grain were won in the district for 1906. According to the Statistical Register, that would be an increase of 100 per cent. since 1904. The production for 1904 actually was probably more than recorded in the Statistical Register, but I take it this return for 1906 is a more complete record than they keep.

9127. You think it is fairly accurate?—We think this is the most complete return that has been taken in the district.

9128. The production has increased by 100 per cent.?—Quite.

9129. Did you export any oats from the Caledon district this year?—Yes. Towards the end of October they started exporting. They must have exported 15,000 to 20,000 bags. There is still a big surplus. I know of one farmer who has 2,000 bags of his last year's crop.

9130. How many bags of oats will they have for export from the present crop?—I think we can expect to get at least half-a-million bags of grain. We expect it will be rather more than last year. We may take it two-thirds of that will be oats and one-third wheat, leaving out barley and rye, which are not at present very largely produced in our district. Two-thirds of that amount would be available for export.

9131. That is about 200,000 bags for export?—Yes, and then we have still a surplus of last year's—probably 30,000 or 40,000 bags.

9132. What is the general impression amongst the producers in the Caledon district? Has the protection of the last Convention been a stimulus for them to grow more?—It has, undoubtedly.

9133. That is the information you have got?—Yes. I am not a farmer myself, but that is based on the opinions expressed by the members of my society.

9134. Is your Society fairly representative of the agricultural interests of the district?—Almost entirely. We are about 180 or 190 members, of which I should say nearly 90 per cent. are purely farmers.

9135. Can you produce much more?—We could produce a very considerable amount more, especially if the railway facilities were increased—for instance, the present extension to Swellendam which is proposed.

9136. What is your position with regard to the other cereal districts in the Colony? How do you stand?—As far as I am able to ascertain—of course I have not the latest returns from Malmesbury, but taking the last census return from there—we are practically level with them as far as grain production is concerned. They turn out more oathay than we do, but taking actual grain we are now pretty well on a level; they are very little ahead of us.

9137. What is the cultivatable area of the Caledon district ?—The total area of the Caledon district is 1,772 square miles. I take it you can reasonably take about half that as being capable of being put under grain.

9138. How many morgen would that be ?—About 265,000 morgen.

9139. That is taking 50 per cent. of the total area, which could be put under cultivation in the Caledon district ?—Yes.

9140. Do you know how much grain we require to sow a bag of oats ?—A three-bushel bag of oats about would go to a morgen of ground.

9141. So if all the ground were put under oats you would have 730,000 bags sown, and would get about 9,000,000 bags ?—Taking a return of 15 bags to a bag sown would be fair.

9142. You would have 10,000,000 bags ?—It would not be practicable to put all under oats at the same time. You have to have your rotation, and some must be left fallow. Half that—the best portion of the district, known as the Middelruggens—is very little touched at present because it is too far from the railway, and it is an arithmetical problem that they cannot market more than a certain amount.

9143. What are the chief factors the farmers have to contend with in the production of cereals ?—The carriage is one of the greatest questions they have, and of course foreign competition in the absence of protection.

9144. That has been removed by protection ?—Yes.

9145. The greatest difficulty people now complain of is want of access to the markets ?—Yes.

9146. Do you produce barley ?—Yes, the production of barley is increasing somewhat in the district.

9147. Do you produce barleys of a quality good enough for malting ?—Previously there has not been much produced, but they are now taking the matter up, and I know one farmer this year who, by way of experiment, has sown 14 or 15 muids of barley for malting purposes, and has about 300 bags he can dispose of. He is now negotiating the sale to one of the breweries.

9148. Are they satisfied with the quality ?—That I could not tell you, but they are negotiating to purchase it.

9149. Then they have accepted the barley ?—I could not say, but the agent has approached him to buy it for the brewery.

9150. So there is a new field for barley ?—Yes, for malting barley.

9151. Do you know the duty on barley ?—2s. per hundred pounds I believe.

9152. Do you know the duty on malt ?—I believe the same.

9153. Has there been any question raised with reference to the duty on malt in your district ?—Yes. The Society has expressed the opinion that the duty on malt shuold be raised at any rate to bring it equivalent to the duty upon barley if it were imported as barley, that is to say before the barley was malted.

9154. Do you think, on account of the similarity of the duty on barley and malt, the barley has not a fair chance ?—Yes. It makes the competition keener if the malt can be bought at the same rate as the barley, because I understand, practically speaking, you would have to import more barley than malt, because the malt is concentrated.

9155. The proportion is 448 lbs. of barley give 336 lbs. of malt, which is about three-quarters. It loses a quarter ?—Yes.

9156. It is the opinion of your Society that the duty on malt should be raised so as to make the malster buy the barley for malting purposes ?—Locally, and we feel that it can be produced.

9157. Do you think if that is done there will be more barley produced ?—That is the opinion of the members of my Society.

9158. The opinion of those who are in a position to know ?—Yes.

9159. Has your Society formed any idea of what they could produce a bag of wheat for ?—The opinion of the members of our Society is this, that it does not pay them to grow wheat unless they be assured of from 17s. 6d. to 18s. per bag for it.

9160. That is the minimum price ?—That is the minimum price they can grow it for at a working profit.

9161. Has the Society expressed any wish to have the duty on wheat increased —They feel it would be a great stimulus to the production of wheat if the tariff could be so increased as to ensure their getting about that locally for their wheat.

9162. They would be satisfied with 18s. ?—Yes.

9163. And on that basis they would produce more ?—Yes.

9164. Is Caledon a fairly good wheat-producing district ?—Yes.

9165. Is there a large field for extension ?—There is a very large field for the extension of wheat growing.

9166. Virgin ground ?—Yes, which has so far been untouched.

9167. Are you much troubled with rust ?—Wheat is a crop which is very susceptible to rust, which is one of the reasons why it is less grown in the district.

9168. Can you give reasons why wheat is not more extensively grown in the district ?—Wheat is a more expensive crop to produce. For instance, a bag of wheat for seed purposes would cover considerably more ground than a bag of oats.

9169. How much would it cover ?—About a morgen and a half. You have to prepare more ground to sow a bag of wheat than to sow a bag of oats.

9170. Oats would require what ?—Three bushels would go to an acre. You would sow two bags to a morgen.

9171. A bag to the acre ?—Yes.

9172. You would really require three acres of ground for a bag of wheat, whereas you would only require one acre for a bag of oats ?—Yes. There is a larger acreage required, and you require double the quantity of super-phosphates, and it takes far longer to mature on the ground. It is very much more subject to rust.

9173. What is your average return per bag of wheat ?—They take it about 15 bags. It would be about the same as oats. Therefore you would get far more by sowing a crop of oats than from wheat off the same area of ground.

9174. You would get 45 bags of oats from the same area ?—Yes, and naturally the reaping would be cheaper, because it takes the same time to reap the same area.

9175. And the larger area takes longer to plough ?—Yes.

9176. This point influences them in deciding whether to grow wheat or oats ?—Yes, because oats pay better than wheat at present.

9177. Is it the opinion of the bulk of the members of your Society that by giving a little more protection for wheat they will grow more ?—That is the information I have.

9178. You could not possibly tell the Commission what increase you would expect from additional protection ?—That would be very difficult to say ; I could not say that at all.

9179. Have you ascertained the views of the members of your Society as to the preferential railway rates on the Colonial produce ?—They would be most strongly opposed to any increase of the railway rates.

9180. You know what it is at present ?—Yes, ¾d. on oats and ½d. on wheat.

9181. That is the feeling of your Society ?—Yes.

9182. You say you would get 15 bags of wheat from an area of ground which would produce 45 bags of oats ?—Yes.

9183. If you reckon the wheat at 18s., which is the price mentioned by you, that is £13 10s. ?—Yes.

9184. That area will give £13 10s. in wheat ?—Yes.

9185. What are your oats selling at ?—At present I think the latest offers are 6s. 3d. to 6s. 6d. a bag.

9186. It is a curious thing that at 6s. it works out at exactly the same ?—Of course we have hitherto been getting considerably more.

9187. From 6s. 3d. to 6s. 6d. is the price the farmer would get for the sale of oats for export purposes ?—Yes.

9188. And that is the more reliable market for them ?—Yes.

9189. So, reckoning wheat at 18s. and oats at 6s., you would get from three acres of ground the same return whether you had oats or wheat ?—Yes.

9190. That is provided the farmer can get 18s. ?—Yes.

9191. And therefore your contention is that by giving the additional protection to ensure that price, the farmer will turn some of his attention from the oats to the wheat ?—Yes, that is certainly the feeling.

9192. That will be a stimulus to him to produce more wheat ?—Certainly. This year they have been getting as low as 51s. for wheat, so it comes out considerably better to grow oats. The highest farmers got this year was 17s. 6d. Now they are getting more, but they have very little left to sell ; in fact, I do not think any of the last year's crops are to be sold.

9193. What was the lowest ?—The lowest I know of was 15s., and the highest 17s. 6d.

9194. They got about 16s. on an average ?—Yes.

9195. And so were 2s. below the margin at which they could compete with oats ?—Yes.

9196. The margin of 2s. on 15 bags is £1 10s. They got a return of £1 10s. less from wheat on three acres than from oats ?—That is about what it is.

9197. Is that one of the reasons why they ask for a bigger protection on wheat ?—That is one of the reasons.

9198. Is there anything else your Society want to bring to the notice of the Commission ?—No. Our district is principally a grain-growing district. At the present moment the other products, like onions, are considered to be sufficiently protected.

9199. You are big wool growers. You do not want any protection on your wool ?—No.

9200. Is there anything else ?—Nothing else I am instructed upon.

9201. Has your Society discussed the question of the duration of the next Convention ?—Yes. That has been discussed, and the feeling is that any arrangement which is come to should certainly be binding for a considerable number of years—not for a matter of two or three years.

9202. What would you consider the minimum period ?—About six or seven years.

9203. You know the feelings of the farmers of the Caledon district fairly well ?—Yes.

9204. The farmers outside even—those who are non-members of your Society ?—Yes. I come into daily contact with them.

9205. Are they in favour of the retention of the Customs Union ?—Yes. There may be some who are against it, but certainly the intelligent farmer is in favour of its retention.

9206. Are the majority of the farmers in favour of the Customs Union ?—I would not like to make a definite statement, but my opinion is that they are. I should say the thinking farmers are.

9207. Would you rather sacrifice a little than have a break up of the Customs Union ?—I have not been instructed about that. I have my own opinion, but would not like to make a definite statement.

9208. Now, in your personal capacity as an attorney, apart from your position as secretary to the Society, what is your opinion ?—I think there should be some give and take in order to retain it.

9209. You want inter-Colonial free trade ?—Yes, and that I know is the feeling of many farmers of our district. That is the essence of it.

9210. *Mr. Harlow.*] According to your estimate here of what you think would be produced next year, it would be about 8½ million pounds ?—Yes, taking your figures to be correct.

9211. Do you know the amount that was imported during the last nine months ?—I know for the last six months ending 30th June it was 174 million pounds, roughly speaking.

9212. For the nine months it was 226 million pounds. Can you give the Commission any idea of the amount of wheat that is being produced within the Customs Union ?—I have not those figures.

9213. Only for your own district ?—Yes.

9214. Could you give us a rough estimate ?—I do not think I can. It is a very large question.

9215. With your experience, do you think, provided a higher duty was put on wheat, the whole of the wheat for the consumption of these Colonies could be produced within them ?—Perhaps not at once. It has taken some time to increase the production in oats sufficiently to export. But I certainly think we could produce very nearly if not quite sufficient.

9216. What is your opinion of the bounty system, say for wheat-growing ?—I have not got the opinion of my Society on that. What do you mean by that ?

9217. You say the farmer is satisfied with 17s. 6d. a bag. If the Government guarantees him that price as a bounty, will that induce the farmer to produce ?—I take it would perhaps do so more than the duty, because the price which the farmer would get under the duty would also depend upon the production of other countries. If they could put it in here cheaper, no matter what the duty was, it would affect the local market, so if the Government were kind enough to guarantee that, I think it would be all we should want.

9218. At the present time wheat is very high ?—Very high just now.

9219. About 22s. 6d. ?—I think the farmer is getting up to that for it.

9220. You have been selling at 16s. ?—In the past, yes—15s. to 17s.

9221. Can you give the Commission any idea of the cost of that—why the price has gone up when the farmer has no wheat and why it was low when we had it ?—I have not gone fully into the question, but I believe the reason is that there is a shortage in the wheat crop elsewhere. Consequently, the market price of the ar-article, landed here, is considerably greater, and that governs the price we get for our crop.

9222. How long is it since you got 15s. a bag ?—I know a farmer who, about three or four months ago, sold the balance of his crop for 15s. a bag.

9223. Is it a fact that wheat has gone up 7s. in four months ?—It has gone up lately. The rise in price has been very recently. I assure you that if our farmers had had any idea of it they would have hung on to the last grain, but the farmer cannot always afford to wait. He has to realise his wheat when he wants his money. That can only be got over by some form of co-operation amongst the farmers, which at the present time does not seem quite opportune ; the spirit does not seem to be abroad sufficiently yet.

9224. The fact of the matter is, wheat does not pay as well as oats ?—Not as things are.

9225. That is one of the reasons it is not produced in sufficient quantity ?—That is so.

9226. *Mr. Tod.*] You have not indicated what you would consider a proper protective duty from your point of view to put on wheat ?—From the point of view of our Society it should be an increase of from 9d. to 1s. per hundred pounds.

9227. That would be 2s. per hundred pounds duty ?—Yes, which would bring it up to the level of the other cereals.

9228. If you got that you would be prepared to sacrifice the preferential railway rate ?—I would not like to say that on behalf of my Society. Their opinion was that the preferential railway rate should stand.

9229. You know the Transvaal and Orange River Colony farmers are very much against the preferential railway rates ?—I believe that is so.

9230. You have not been instructed as to what evidence to give with regard to that ?—Generally speaking I have, and that is that they would like the preferential railway rates to stand.

9231. And get the increased duty as well ?—Yes. Of course, they would not perhaps press for the full 1s. a hundred pounds, but they do feel there should be some increase in the existing duty, because they feel that with the existing duty and the preferential railway rate it is difficult for them to compete.

9232. Do the farmers, in selling the wheat, get the full benefit of the preferential railway rate ?—I suppose they would get it in the way of competition. It must be taken into consideration by the buyer.

9233. Does the man pay the increased price for the wheat here ?—They do not sell direct to the miller, as I said. They generally sell through local sources.

9234. Is it not possible that the miller and the local storekeeper divide the preferential railway rate between them, and give the farmer nothing.?—That is a very difficult question for me to answer. I have no doubt in many cases the local buyer acts as agent for the miller, in fact I have instances where that is so. I fancy the question of competition would settle that.

9235. *Mr. Pyott.*] What price can you get for wheat in comparison with the cost of imported landed wheat, quality for quality ?—I am not prepared to answer that.

9236. Supposing it was imported for 14s., what would you get for the Cape wheats ?—I should think about 15s. 6d.

9237. That is 1s. 6d. a sack more ?—Yes. I think that is owing to the preferential railway rate.

9238. The miller compensates him for sending it over the railway at a lower price ?—Yes.

9239. With the increase you suggest of 9d. to 1s., would you be prepared that the differential railway rate should be the same as oats and barley over the railway ?—I would not like to give a definite statement on that.

9240. This would put you on the same level as oats and barley at the present moment ?—I think if a full 1s. per bag were put on they might be prepared to sacrifice that.

9241. Do I take it your suggestion to-day is that 4s. should be the duty on a sack of wheat of 200 lbs. ?—Yes.

9242. You say you require from 17s. 6d. to 18s. per bag of wheat to equal the oats at 6s. a bag ?—Yes.

9243. Have you any idea of the price of wheat in the Malmesbury district ? —No.

9244. Is there any wheat lying in the farmers' hands in the Caledon district ? —I do not think there is any.

9245. You do not know 25s. has been paid for Caledon wheat ?—I could not say so, although it is probable.

9246. The farmers are not selling their new crop of wheat yet ?—No. It is not threshed yet. Some farmers have finished threshing the oats, and they will thresh the wheat from now onwards.

9247. They are offering 22s. a bag now for wheat ?—I believe they are taking it still.

9248. Would the increase of 1s. per hundred pounds on wheat entail a higher cost of bread to the consumers ?—I do not think it would. I think it would come out very little indeed on a loaf.

9249. It would be infinitesimal to the general buyer of bread ?—Yes.

9250. The users of flour would pay considerably more of course ?—How do you mean.?

9251. If you get 2s. on the wheat, flour is bound to be dearer ?—You mean the man making his own bread ? It would come more expensive to the miller.

9252. It would depend on the price of wheat whether that advance raised the cost of the loaf ?—Yes. The duty itself would not under ordinary circumstances.

9253. Do you know what the advance on the wheat would mean in the advance of the price of the flour ?—No. I do not know what a bag of wheat produces.

9254. You said the protection of 2s. on oats acted as a stimulus on your farmers ?—Yes.

9255. Is that the real stimulus for producing oats in the Western Province ?— It is a great factor. I will not say it is the only one. I believe the last couple of years there have been bad crops in the North, which has been a stimulus here.

9256. And also German South West Africa ?—Yes ; that was certainly a considerable factor. There were larger local markets then.

9257. The condition of your market to-day is that there is over-production of oats, and they will have to turn their attention to wheat or other cereals ?— Yes. It will still pay them to produce oats at 6s. a bag though. If the export trade turns out all right they will find a market for a great deal more than they are producing.

9258. You said you exported 20,000 bags of oats ?—About that.

9259. Where were they exported to ?—They were purchased by Cape Town houses and exported to England.

9260. At a satisfactory price to the farmer ?—At a considerably better price than he could get locally at the time the exportation commenced.

9261. The protection on oats is no protection when you begin to deal with an export trade ?—No. The only thing is it is dangerous at the early stages of the exportation to take away the protection.

9262. The protection only affects the inland trade ?—Yes.

9263. And at that time it should be done away with ?—Yes, when the time comes, but it would be dangerous at present. The amount of the export trade is only infinitesimal at present. All you can say is there is a considerable prospect of a good export trade developing.

9264. Do you think with the increase on wheat there is a possibility of this country producing its own foodstuffs ?—I think so, to a great extent. I cannot say absolutely, because I am not sufficiently acquainted with the other wheat-producing districts. In our district we could produce considerably more than at present if we had an assured market.

9265. *Mr. Scott.*] With regard to the malting barley in the Caledon district, I think you told the Commission that the agents of the brewers were approaching the farmers to buy barley ?—I know Ohlssons have appointed an agent in the Caledon district to buy barley for them, and also in the Swellendam district.

9266. Is there much barley grown in the Caledon district ?—I, unfortunately, cannot give you the figures, but in our returns they were lumped with the oats in many instances. According to the last census, there were 33,000 bags produced but I take it that is an under estimate.

9267. Would that all be fit for malting purposes ?—No, because at that time they did not go in for malting barley at all. I suppose a portion of it would be, but I cannot say how much.

9268. Are the brewers giving a fair price for the barley ?—I cannot say what they are offering at present. I know this very farmer I mentioned had been offered 7s. 6d. a bag for his barley, but that was not by the agent of a brewery, and he would not sell at that figure.

9269. You do not know what the agent is offering ?—No.

9270. Are you aware of any bonus which the brewers are offering ?—I am not aware of that ; it has not been made public, for instance, through the Agricultural Society, which would be the natural source for them to convey their information to the farmers.

9271. We have it in evidence that the brewers say they are offering a bonus to the farmers. Do you think that would be an inducement ?—It would depend on the amount of the bonus.

9272. *Dr. Viljoen.*] 3d. a bag ?—I do not think that would be much.

9273. *Mr. Scott.*] What do you think the bonus would be ?—I should not like to pass an opinion on that. I think if they made a good offer and make it known, they would get a great many to go in for the experiment.

9274. Has the brewer to import any malting barley ?—I could not say definitely, but I believe they do import a certain amount.

9275. With regard to the duty on malting barley, which the brewer says he should have—that is for his English barley, which he has to import—would you be in favour of that ?—We should be very much opposed to any reduction on barley.

9276. Even if he gives you a bounty of 1s. a bag ?—That might alter the circumstances, but I would not like to make a definite statement on that. I think the brewer would be well advised to make a definite offer to the farmer in such a way that it is known. It is the first I have heard of it.

9277. *Chairman.*] Do you produce butter and cheese and eggs ?—No, but in eggs—I am taking the railway weights—we sent out of the district, which includes Bredasdorp, 335,000 lbs. weight. You may deduct a small percentage for crates, which would be the gross weight. It is over 2,000,000 eggs. The boxes would form only a small percentage.

9278. *Mr. Pyott.*] What is the average price you get for those eggs ?—I think about 8s. a hundred. I might say that even without further protection we would produce much more grain if the railway was extended through our district. The best part of our district is not tapped.

9279. *Dr. Viljoen.*] How much cultivatable district is still undeveloped ?—I cannot tell you that. Take a farmer who is a certain distance from the railway, who can only produce as much as he can bring to the station between the time of his reaping and his sowing.

Louis Abrahamson and Petrus Johannes Cillie, Fruit Growers, representing the Wellington Fruit-growers' Association, examined :

9280. *Chairman.*] Will you state the points you wish to lay before the Commission ?—*Mr. Abrahamson.*] Mr. Cillie and I have been asked by the Fruit Growers' Association of Wellington to give evidence with regard to the duty on fruit boxes and the fruit industry generally. With regard to the duty of 15 per cent. on fruit boxes, we think it is an enormous direct tax upon the fruit grower,whose industry is a legitimate one, whereas we do not look upon the Colonial manufacture of boxes as a Colonial industry at all, and, therefore, we think it is a handicap to the fruit grower, and a very severe handicap : indeed, so much so that it means a direct tax upon a very few individuals of something like £100 a year to each individual farmer. I am talking of farmers in a large way of business. This tax, as far as we can see, really does not do any good to anybody, except that it adds a little revenue to the Colonial exchequer, because we maintain that at present there is no manufacture of Colonial boxes worth speaking of—that the wood of boxes which are manufactured in this country is imported, and all that is done here is that the wood is sawn and put together. In connection with that, I would like to call attention to Mr. Yallop's evidence before this Commission, which, I think, proves our case. He maintains that it requires eight men to make a thousand boxes a day.

9281. *Dr. Viljoen.*] It is fifteen ?—My calculations are based on eight. If it takes eight men for a thousand boxes a day—and they could do it, I think—it would take eight men to make 300,000 boxes a year, and as a million boxes are all that are required in a year for the fruit industry it means 24 men could do all the work necessary for the country ; and in order to keep those 24 men you levy a duty on imported box shooks, which means a direct tax of something like £1,750. With regard to the wood, Mr. Yallop, in his evidence before a Select Committee of the House of Assembly, said there was very little wood in this country suited for the making of fruit boxes, and I think it was stated by him and by several others that there is certainly not enough poplar wood in this country, nor is there likely to be, to serve the purposes of the match factories and the fruit boxes, so that for these purposes you would still have to continue the importation of timber for an indefinite period. With regard to the present state of the trade, I am a director of the Rhodes' Fruit Farms, who are very large users of fruit boxes, and I have taken the trouble to get the particulars of what they use and where they got their boxes from. They used in 1905 41,000 odd boxes, in 1906 49,000 odd and in 1907 87,000 odd boxes. Now, in order to do the best they could for the Colonial manufacturer this last year they called for tenders for the boxes, and they got tenders from a number of people both in Europe and in the Colony, including the so-called makers of Colonial boxes.

9282. *Mr. Tod.*] Tenders for this season's supply ?—Yes. Strange to say, all the quotations they received were for imported boxes. There were no quotations for Colonial-made boxes, which, I think, goes to prove my case that as far as competition is concerned, the Colonial box-maker is absolutely out of it, and he does not even quote the Colonial box in competition with the imported box, but deals in the imported box himself, and if that is admitted, the duty that you levy now is simply a revenue duty and does not do anybody any good.

9283. *Dr. Viljoen.*] Except the Treasury ?—Except the Treasury. I do not know whether the Commission wish to have a copy of the statement I have here. I do not wish to quote the names of the tenderers, but the figures are at the service of the Commission if they require it. I would simply say that I think it is a matter of the utmost importance to the growers of fruit that they should get every assistance they possibly can and should not be handicapped, and I think that by trying to handicap them by placing a parasite industry upon their own industry you are doing them a distinct harm. As a matter of fact, the fruit grower in this country has not made a success of his business by any means. It is simply an experiment, and he has to struggle very hard to make ends meet. Therefore a handicap of this kind is calculated to do an immense amount of harm to a thing which is a new industry itself—that is, the export of fruit, and the marketing of fruit generally. That is all I have to say as far as the fruit boxes are concerned. There are other matters regarding the import duty on fruit, but I think Mr. Cillie has more knowledge of the fruit growing, and he will probably be able to give evidence on that. I do not know whether I am in order in placing before you the fact that the protection the man on the soil has is, in my opinion, not nearly adequate, and it has not been devised in a way which is calculated to do him the most good. Those were not the points I was instructed to bring before the Commission ; those are my own ideas. Personally, I am a great protectionist. I should like everything protected that can be produced in the Colony, provided it can be produced here in any quantity and is calculated to create a real industry.

9284. *Mr. Tod.*] Provided the raw material can be obtained ?—Yes, and provided, in the chief instance, that the man on the soil is the man who will be considered first, because I take it that on him rests the whole of the foundation of the prosperity of the country, and up to the present the protection he has received has been by no means adequate or calculated in a way to do him most good. As a proof of this, I would say that, in a large measure, the up-country producer is precluded from the coast markets, because the imported article makes it impossible for him to compete. What I mean is that if the producer lives two or three hundred miles up-country he cannot compete with the imported article that is grown in other countries and put down in Cape Town or Port Elizabeth or East London, because the railway rate would kill anything like competition. Thus we see that in Cape Town the grain farmer, who only lives perhaps from a hundred to two hundred miles away, has no market in Cape Town and has to seek his market in the North, hundreds of miles away. He cannot compete with the imported article here because it is very much cheaper to get that class of goods from the uttermost ends of the earth than it is to get them from two or three hundred miles up-country.

9285. The evidence we have had so far is that the farmers are quite satisfied with the protection they have. Is the grain imported now ? Except the wheat farmers, every one else is satisfied ?—I am talking about the grain farmer, the wheat and oathay farmer and the agriculturist generally.

9286. Do you advocate increased protection for these things ?—I am not satisfied with the present basis. I do not know that I want more protection, but I say the thing has never been considered on its merits. There is the fact that the coast towns are not the markets for the local producers that they are in other parts of the world, but I should not like to express an opinion as to how that is to be effected, because it is a very great subject.

9287. Do you propose to increase the tariff in any way ?—I am not prepared to give a plan of how that shall be brought about. I only express my dissatisfaction with the present statistics.

9288. Do you think there is any other way of protecting the farmer except by the Customs Tariff ?—There may be. I think the systems in other countries might be studied with advantage.

9289. Do you wish to make any statement on fruit, Mr. Cillie ?—*Mr. Cillie.*] I fully concur in what Mr. Abrahamson has said about boxes. I maintain that the duty is a direct tax on the industry, and that the Colonial box-maker cannot compete with the imported boxes, because the imported boxes are mostly cut from the refuse wood. In fruit-drying trays you have to pay considerably more because they cannot take the refuse. The fruit boxes are really the refuse wood used in the Baltic. That is why the Colonial box-maker can never compete.

9290. Are there any other points you wish to bring before the Commission ? The other point is that they want an import duty on fresh fruit. I have taken the trouble to ascertain the duties of a few countries on fresh fruit. In France, for instance, the duty on oranges, lemons, apples, figs, is about 1d, per pound, and on grapes it is up to 9d. a pound on hot-house grapes. It is 200 francs per 100 kilos, which works out close on 9d. per pound. In Germany it is from 1d. to 1½d. per pound on fresh fruit and free from all Conventional countries. In Canada apples are 40 cents per barrel, grapes 2 cents per pound, and vegetables 35 per cent. *ad valorem*. In Newfoundland apples are 50 cents per barrel, and other fruits 15 per cent. In New Zealand there is 1d. per pound on fresh fruits. I am not speaking about dried fruits. The dried fruits are mostly from 2d. to 3d. per pound. In the British West Indies it is 2d. per pound on all fruits. In the Commonwealth of Australia fruit and vegetables are 15 per cent. Well, from that you will see that nearly all the Colonies and all the countries have a tariff, and some very high, for the importation of fruit, and if you have noticed it is highest for grapes in France and highest for apples in Canada. I think we should get a duty on the importation of fresh fruit—a duty of at least 1d. per pound—or I will say 1d. a pound from British Possessions and 2d. per pound from all foreign countries. At the present moment large quantities of oranges and lemons are imported from the Mediterranean countries, and I think it is unfair on our fruit growers to have to compete with these foreign countries.

9291. Have you any other point ?—No.

9292. *Dr. Viljoen.*] Mr. Abrahamson, when the Rhodes' Fruit Farms asked for tenders for fruit box shooks, Colonial manufacturers tendered ?—*Mr. Abrahamson.*] Yes.

9293. Did they tender to supply the Colonial-made article, or were they simply tendering as importers ?—They tendered c.i.f.

9294. Which means importation ?—Yes.

9295. When were these tenders asked for ?—For this season. I could not tell you the exact date. It must have been about the middle of the year, because the delivery has already taken place.

9296. Anyhow, these tenders were submitted by them here and in Europe about the same time ?—Yes.

9297. I see you had tenders here from Colonial manufacturers delivered c.i.f., so they had no intention of making a thing here ?—That is my point. There could not have been, because you will notice they are all c.i.f.

9298. The tender was actually given by a Colonial firm ?—It was a Colonial importing firm.

9299. The firm who got the tender are not manufacturers ?—No.

9300. They are simply importers ?—Yes.

9301. They are resident at the Paarl, where they are big importing merchants ?—Yes.

9302. Are you an exporter of fruit ?—Yes, grapes.

9303. You represent a large exporting association ? Are the Wellington Fruit Growers' Association large exporters ?—Yes.

9304. Have you ever had Colonial fruit boxes ?—A small quantity.

9305. Were you satisfied with the wood ?—No.

9306. Are you prepared to give the tender for the Colonial-made article if the conditions are favourable ? Assuming the quality and price will compare with the imported article, will you give it to the Colonial manufacturer ?—*Mr. Cillie.*] No. This morning on the station at Wellington one of our biggest exporters was saying he had £12 10s. worth of Colonial boxes this season. That is within the last month. He gave the order to a Cape Town firm, and he got boxes to the value of £12 10s., and they are so worthless to him that he has been obliged to sell them for £1.

9307. You do not feel yourself justified in buying Colonial-made boxes on account of the inferiority of quality ?—Yes.

9308. You do not want to run the risk ?—No.

9309. You say this gentleman is dissatisfied ; he cannot use the boxes ?—Yes.

9310. Have you had any practical experience of Colonial-made boxes ?—Not this season, but I had last season. I got some Colonial-made boxes, and was quite dissatisfied with them.

9311. In what way were they defective ?—The wood was sawn from deals a great percentage of which had got black, and a great percentage of the boxes were quite black on one side of the wood. Then it had a nasty resin smell, and it was also sawn very unevenly.

9312. Were the boxes all of uniform size ?—The smell was the greatest objection.

9313. Is the smell fatal to the trade ?—Yes.

9314. That is your reason. But supposing the quality was as good as the imported ?—Certainly I would then. I am not against the Colonial boxes. Even if I have to pay a little more for the Colonial article, I will certainly have it.

9315. Am I right in saying an odourless wood is a *sine qua non* for a good box ?—Yes.

9316. Have you had any quotations from Colonial firms within the last month ?—No.

9317. If a Colonial firm submitted a quotation which was lower than the imported article would you look upon it as a *bona fide* quotation ?—Yes, if the boxes were to my satisfaction.

9318. Assuming a Colonial firm of repute were to quote to you to-day for fruit boxes at a price more or less equal to the imported article, and of a quality more or less the same as the imported article—odourless and fit for export—are you prepared to enter into a contract with them for a year or two years ?—Yes, I am quite prepared.

9319. You have no prejudice against the box being made here ?—Certainly not. The prejudice is against the duty. The prejudice in regard to the box is against the quality.

9320. Would you object to paying a duty if it is for revenue purposes ?—*Mr. Abrahamson.*] Certainly.

9321. Do you think you are sufficiently taxed at present ?—Yes, absolutely. It is a bigger tax than De Beers is paying.

9322. Why ?—Simply because I take it that the gross cost of the boxes is from £12,500 to £15,000 a year. 15 per cent. on that is about £2,000. We are paying 15 per cent., which means, as I said before, about £100 a year to a man who does not export more than a thousand pounds worth of fruit a year.

9323. I would not have gone into the question of De Beers, but as you mention it, what is the profit tax of De Beers ?—10 per cent.

9324. What is your profit tax on fruit boxes ?—A great deal more. If a man has to pay £100 upon a product which will realise not a thousand a year it is more than 10 per cent. As far as the Rhodes' Fruit Farms are concerned, the duty they pay on fruit boxes would be £150 to £200.

9325. But what is the value of their fruit ?—I do not know the value of the fruit that is exported in those boxes.

9326. When you mention oathay, do you know the import duty on fodder ?—On oats I know it is 2s. a hundred pounds.

9327. And fodder and such like. Is that not sufficient protection ?—It may be sufficient protection at the port, but it does not re-act on the farmer up-country, because it is very much cheaper to bring oats from other parts of the world to Cape Town than it would be from Caledon.

9328. You do not represent the cereal industry ?—Except personally.

9329. Is the duty of 1s. per hundred pounds sufficient protection ?—It is not sufficient protection. My contention is that in order to make use of the market at Cape Town, the protection at the ports is not sufficient to put a man on an equal position at Piquetberg with the man importing the stuff.

9330. We have had conflicting evidence with reference to the impost upon the importation of fresh fruit. A certain number of witnesses want 1d. a pound, as you do, on hard fruit, and others again want free importation. I bring it to your notice because this may not have suggested itself to you. The contention is that if you do not allow the fresh fruit to come in free you hamper the small man with a fruit shop, and perhaps you will drive him out of the market. Do you think that is correct ?—*Mr. Cillie.*] No. We do not want a prohibitive duty on the fresh fruit so that it cannot be imported, but we want a substantial duty. That will not drive the fruit out of the market altogether; a certain amount will be imported. At present oranges and lemons are imported in very large quantities.

9331. Do lemons and oranges stand cold storage ?—No.

9332. So you would not be able to keep them in cold storage ?—Some of our oranges are still on the market. This morning we were told that it cost about 2s. 6d. per hundred pounds to get oranges from Oudtshoorn to Cape Town, which will be more than it costs to get them from other countries, and it is the same with lemons.

9333. You say you cannot keep the oranges and lemons in cold storage for any length of time ?—Yes.

9334. So a time must come in the country when you cannot get oranges and lemons, and you must get them from other parts of the world ?—That is correct, and we want them from other parts of the world, but we want a duty on them so that they cannot compete with our fresh fruit when it is in the market.

9335. These people ask for a duty on hard fruit—apples and pears. Can these be kept a long time in cold storage ?—Yes.

9336. Can you keep them until the next fruit season comes in ?—Yes.

9337. Would you be able to keep the Colonial apple up to now in the cold storage in Cape Town ?—Yes. But this last year a great amount of imported apples came into competition with the Colonial apples.

9338. Is the cold storage a costly thing ?—Not very costly.

9339. Is it mostly in proportion to the value of the fruit ?—Yes.

9340. If you keep your apple in cold storage for four months it considerably enhances the cost of that article ?—Yes.

9341. Do you find after it has been four months in cold storage it is difficult to compete with the newly-imported apple from the other side of the water ?—That is the position.

9342. *Mr. Harlow.*] In reference to your export of grapes, will you tell us what it costs to grow a twelve-pound box of grapes ?—*Mr. Abrahamson.*] That all depends on the result of your growing. I do not see how it is possible to tell you, because you may have a full crop or half or a third crop.

9343. I want an average ?—How could I tell you that ?

9344. Does it cost you 4d. ?—It all depends. It may not cost me more than 1d. The only way I can answer is to say what it costs me to run my farm and what I get.

9345. A gentleman told us that it cost about 4d. ?—It all depends. If a man expends a thousand a year on his farm and has a sufficiently large crop, which he sells at 1d. he may make a profit, but if his crop is small it may cost him 6d.

9346. I wanted to know what it cost to grow a box of grapes and put it in Cape Town for export ?—If I can get 1d. a pound on my farm for my grapes I am perfectly satisfied.

9347. What do you get for a box of grapes on the other side ?—Last year we got from 10s. to up 21s., but for a portion we did not get anything, because the spoilt portion is thrown away.

9348. You had a very good paying season ?—Very good for grapes.

9349. Are you serious in saying you do not wish to pay the 15 per cent. ?—Yes. I think it is an absolutely wrong thing to do.

9350. You said you were a strong protectionist ?—Yes, I am very strong for protection, but I think we will do a great harm to the objects of protection by trying to protect everything, and simply stating that you must have a protection on a thing which people out here deal in.

9351. Will you tell us how much this 15 per cent. is on a twelve-pound box ?—It is 15 per cent. on 6d. That is about a 1d. a box, which a farmer is charged as a direct tax upon his industry, and that is what we object to,

9352. If that duty were on, what revenue would the country reap ?—Not any. The farmer would get the benefit. You are putting a revenue tax on a Colonial industry which is trying to establish an export trade, which, I take it, is a wrong thing to do. You might just as well tax coal.

9353. In reference to oranges and lemons, Mr. Cillie, do you know what the public pay on an average for the oranges in town ?—*Mr. Cillie.*] It all depends on the season.

9354. What do they pay when oranges are in season ?—About 1s. for a dozen-and-a-half.

9355. Are you aware that oranges were never cheaper last season than 8d. a dozen ?—Considerably cheaper. I have seen good ones in shop windows at 25 for 1s.

9356. Do you know the price of lemons out of season ?—About 1½d. each.

9357. Do you not think that is quite enough for the poor man to have to pay for a lemon if he wants one ?—It will not be much dearer if the import is stopped. That is not what the grower gets for them.

9358. *Mr. Tod.*] I want you to make that point a little clearer, Mr. Abrahamson, with regard to the tax the fruit farmer pays through the boxes. A farmer using £700 worth of boxes would be paying a duty of £100 ?—*Mr. Abrahamson.*] Yes.

9359. How much profit is that farmer likely to make ?—It it difficult to say.

9360. Are the Rhodes' Fruit Farms paying a dividend ?—They have not done yet.

9361. Therefore they are paying a higher profit tax than any industry in the Cape Colony ?—Yes.

9362. Take a moderately successful farmer of this district. In handling £700 worth of fruit boxes, what profit would he make ?—A man selling £1,500 worth of fruit a year has made an excellent year's business if he has £500 at the end of the year. I do not think you will find 10 per cent. of the farmers who can say that.

9363. On that basis he is asked to pay a direct tax of 20 per cent. through the boxes ?—Yes.

9364. I suppose you are satisfied with the present duty of 2½d. on jams ?—Yes.

9365. I suppose the manufacture of jams in the Colony has led to a demand for the fruit ?—Yes.

9366. You do not want an increase ?—The protection is fairly good.

9367. The question of fruit pulp has been raised. Some makers of jam have contended that fruit pulp should come in free—such things as raspberries and one or two fruits which they say are not grown in the Colony. They say they could make up the fruit pulp into jam, and it would really assist in the sale of the Colonial article ?—There may be a good deal of argument in that. I am not prepared to say it is not right.

9368. As representing the Fruit Growers' Association, are you in favour of the pulp coming in free ?—Pulp that is not manufactured in this country ? Our company is a jam manufacturing company as well, and I think they would be in favour of pulp that is not produced in this country coming in free.

9369. What fruits would that apply to ?—Raspberries.

9370. Apparently they are grown here ?—Not to any extent, I think. I am not very well acquainted with that.

9371. You are not afraid people will like these jams so much as not to take the Colonial jams ?—I do not think pulp is the best thing to make jam from.

9372. With regard to the fresh fruit, as Dr. Viljoen pointed out, many growers have said themselves, " Do not put a duty on fresh fruit, because there are times when we are not able to supply the shops—besides the necessity for keeping up the taste of the public for eating fruit all the year round." You say there should be 1d. a pound duty ?—*Mr. Cillie.*] Yes. *Mr. Abrahamson.*] I think fruit coming in here to compete with our own fruit should be handicapped. You have oranges competing with our oranges, and they can be brought from the Mediterranean cheaper than the Oudtshoorn man can send them to Cape Town.

9373. Apples, for instance, could be kept in cold storage ?—Yes.

9374. You are also in favour of the duty on fresh fruit ?—All fresh fruit that competes with Australian during the season, like apples coming in when our apples are in.

9375. You will always have that, because at one time you have Australian and at another time Canadian ?—Exactly.

9376. Are you, as a fruit grower, benefitted at all by the preferential railway rates ?—Yes.

9377. What is your present advantage ?—We have the Colonial rate the same as for anything else.

9378. On apples, say ?—I do not know how far that affects us.

9379. I mention it because there is an agitation to do away with this ?—*Mr. Cillie.*] It is a small matter.

9380. Are you in favour of the preferential railway rate being done away with, Mr. Abrahamson, as a wheat grower ?—*Mr. Abrahamson.*] I think that is a very great question as to in how far the present conditions really favour the Colonial producer.

9381. You have drawn the attention of the Commission to the fact that your Colonial wheat, which is grown at the doors of Cape Town almost, is not sold here, but goes up-country ?—Yes.

9382. You know the explanation of that is the preferential railway rate ?—Yes.

9383. Which is really in the form of a bounty ?—Yes. As I say, the conditions are not as favourable as they might be, and I think the question requires investigation to see whether the farmer could not be benefitted more than he is at present, in order to enable him to do better than he does.

9384. As a seller of wheat, do you think the farmer gets the full advantage of the preferential railway rate when he sells ?—I know, with the exception of this year, the farmer has never been able to get a price for years past to enable him to grow it at a profit.

9385. It is hardly fair to take the present position, owing to the great increase in the price of wheat ?—No.

9386. At other times how do the prices you get for wheat compare with the price of the imported ?—The price of the Colonial wheat is based on and guided by the price of the imported article. You generally get the same price or a little less—that is here, at the port.

9387. Apparently you get no benefit from the preferential railway rate ?—You get what the imported stuff costs landed here, and that is my point—that the imported stuff can be landed from the uttermost ends of the earth at a lower rate than it would take to get it, say, from the Calvinia District to Cape Town.

9388. How do you think that could be put right—by increasing the duty ?—I am not prepared to say exactly how you will remedy that. I think something should be done.

9389. Does the wheat grower require an increased duty ?—He requires a better price than he has been given.

9390. It can only be given through a bounty, either through the railway rates or the Customs ?—You will never get wheat grown more than it is at present in the Western Province unless the farmer can get a better price.

9391. How do you prefer your protection ?—Through a bonus or through the Customs, and not through the railways. I take it this preferential railway rate will not be a lasting thing.

9392. Have you given any consideration to the bonus system ?—Only inasmuch as it exists in other countries and seems to answer there.

9393. Can you mention a country in which the wheat farmer gets the bonus ?—I should not like to make a statement here as to exactly what I would wish done. I am simply stating the fact. I prefer it either through the Customs or by a bonus, but not by the preferential railway rate. I should not like to say which way, though, because I am not quite *au fait* with the question. There should be some additional encouragement—that is my point. I do not think the wheat farmer in the Western Province can grow wheat at less than 18s. to enable him to come out.

9394. What has he been getting ?—This year more than that, but as a rule he does not get anything like 18s. ; from 15s. to 16s. is about the price.

9395. *Mr. Pyott.*] Have you any idea what price the farmer gets to-day ?—About 20s. I hear.

9396. 22s. 6d. ?—Yes.

9397. You said you could bring oats from all ends of the world to Cape Town cheaper than from Caledon ?—Yes. My meaning was that it costs more to bring the agricultural produce two or three hundred miles from up-country than from the uttermost ends of the earth.

9398. I find the rate from Caledon is about 5s. a ton, and you have to pay 25s. a ton from oversea ?—Is that 5s. a ton a special rate ?

9399. The Colonial rate of ¾d. per ton per mile ?—It is not quite correct that the farmer cannot compete in Cape Town, because you have a special rate for export.

9400. No. When you are exporting oats your protection is absolutely lost ?—I understood the export of oats, as well as mealies, was under special conditions.

9401. Do these first three of your English quotations include the duty ?—Yes.

9402. They are all c.i.f. Cape Town ?—Yes.

9403. But that is not duty paid ?—What I said was that they were all quoted c.i.f., and my contention was there was no Colonial manufacturer there.

9404. You have two Colonial makers—Scotts and Purcell, Yallop & Everett ?—Yes, but they quoted c.i.f.

9405. Did Scotts and Everetts quote you for imported boxes ?—I take it.

9406. I think you said you got 10s. to 21s. for a box of grapes in England ?—Yes. That is the large box.

9407. What is the cost of it ?—7½d. to 8d.

9408. What is the cost of sending that from your farm to the London market ?—I could not tell you exactly. Do you mean with the cost of the grapes ?

9409. I want to know the expense from the time you gather them to when you put them on the market ?—About 5s. to 6s.

9410. You pay that in expenses ?—Yes.

9411. The point I want to get at is whether you think it is any great hardship to pay 1d., which is the duty on that box, when you already spend from 5s. to 6s. in getting it from your farm across the sea ?—Certainly there is a hardship. You would consider it a hardship in your boxes if you were made to pay a duty on something which really did not do good to anybody, but simply added revenue to the country.

9412. I am paying much more than all the fruit growers put together ?—You are making a bigger profit probably.

9413. Do you wish to press the abolition of the 15 per cent. ?—Yes, as being a direct tax upon the fruit grower, who is trying to establish an industry which requires the greatest care to enable him to come out at all. Supposing this tax did not exist. We will take a man like Mr. Roeland Taylor, who told us this morning that he paid between £40 and £50 duty on his boxes.

9414. The point is, there are manufacturers in Cape Town who, I understand, have imported special machinery for manufacturing the boxes. That machinery will be lost to the country and we will lose the employment of the men ?—As I have already stated, is it a matter of employing 20 or 30, or even call it 50 men, whereas you are taxing a small industry, each individual of which, I suppose, employs from 50 to 60 people on his own farm. You should surely think of those in preference to an industry which is trying to be established and which will never be a Colonial industry at all.

9415. Will you not eventually get the timber in this country ?—I take it if you talk about a Colonial industry you do not talk of an industry which may be established supposing you can grow the timber in 40 or 50 years.

9416. I may tell you I have had boxes sent to my factory this week made from Colonial timber ?—I can only talk about the fruit boxes.

9417. I believe your point is that your boxes smell and are defective, and you maintain they cannot be made at the same price as the imported ?—Yes. I have no doubt boxes can be made for other purposes.

9418. *Mr. Cillie.*] I see here is a Colonial box which has warped.

9419. *Dr. Viljoen.*] What is the wood ?—Poplar wood.

9420. *Mr. Pyott.*] If we require this for revenue you do not mind paying it ?—*Mr. Abrahamson.*] I do mind very much.

9421. *Mr. Scott.*] You say these quotations were all for imported boxes ?—Yes.

9422. *Mr. Kayser.*] I see one of these quotations—Ward's—is given f.o.r. Paarl, which means duty paid and railage paid to Paarl ?—Yes. I am quite prepared to forward fuller information regarding these.

9423. *Mr. Tod.*] Of course, as a matter of fact, the fruit growers only use at the outside one-third of the boxes that are imported into the Colony ?—Probably.

9424. Something like £40,000 worth are imported altogether. De Beers dynamite factory take £11,000 or £12,000 worth alone ?—Yes.

9425. If you take the duty off fruit boxes you must take it off other boxes, which would mean the loss of the revenue to the country. Would it not be sufficient for you if you got a rebate of the duty on boxes which were exported with fruit, and looked on the rest of it as a revenue tax ?—Boxes exported either oversea or to the Northern Colonies ?

9426. No ; I am merely referring to oversea export ?—All I can say is that the Farmers' Association, both at the Paarl and elsewhere, and the Fruit Growers' Association have taken a very decided stand on this point, because, I think, it is a grievance.

9427. Perhaps they have not looked at the question in its bearing as regards the revenue. What do you yourself, personally, think ?—I can only speak from the point of view of the fruit industry. I have nothing whatever to say about the dynamite factory. If they can use Colonial-made boxes let them, and let them pay, because I suppose they are making a very big income, and they are a wealthy company, but this is an industry in which very poor men are engaged to a very large extent. They are striving to make an industry of it, and I say this is too great a tax on the individual.

9428. The dynamite people used the same arguments. They say they are a struggling industry ?—I would not like to express any other opinion than I have done.

9429. *Mr. Kayser.*] You say the duty on boxes is a direct tax on the fruit grower ?—Yes.

9430. There is the same tax on the boxes used by the dynamite factory ?—I do not know. My point is the dynamite factory manufactures for the mining interest, which is a very wealthy interest.

9431. Is not that a direct tax on the dynamite manufacturer ?—Yes.

9432. But it is justifiable because he happens to be a big man ?—He can speak for himself ; I have been sent here to speak for the fruit growers.

9433. You do not look at the general good of the country ?—I think the good of the farmer is the good of the country.

9434. And does not the same apply to the dynawite manufacturer ?—Certainly.

9435. You said the farmers paid £100 duty on £500 to £1,000 value of fruit ?—I did not know I said £500 worth. I take it the duty on the boxes imported is about £1,700. As far as I have gauged the thing, there are not more than about 20 farmers who use boxes to any great extent. If these have to pay the duty, it comes to about £100 on the average. As a case in point, I quoted Mr. Taylor, who says the duty on his boxes came to between £40 and £50.

9436. You cannot tell us how many boxes he imported ?—No.

9437. Do you know the average price realised, say, for small boxes of plums ?—Do you mean here ?

9438. Take the average price of the whole growth of the farmer—the average result to the farmer, whether he sells in Cape Colony or England ?—*Mr. Cillie.*] It would be 2s.

9439. We have it in the " Government Gazette " that you can buy those boxes from a contractor at 2½d. each ?—Yes.

9440. Do you know what the duty would be on those boxes ?—The duty would be only a very small amount.

9441. Take the duty on 2d. That is about a third of a penny, so the duty which you say is a direct tax on the farmer is one-third of a penny on 2s. What percentage is that ?—*Mr. Abrahamson.*] Supposing you pay a sixteenth of a penny export on wool, will not that be a direct tax on the farmer ?

9442. That would be only on the value of 6d. This is a third of a penny on 2s. ?—I do not care if it is an infinitesimal fraction ; it is not a right tax.

9443. You do not think the farmer should contribute towards the upkeep of the country ?—I think he contributes everything.

9444. He should not contribute through the Customs for anything ?—*Mr. Cillie.*] How can he contribute through the fruit boxes ? I say he gets 2s. a box for plums, but this year we have no plums for sale.

9445. You will not use any boxes ?—I have to cultivate my trees all the same, and my profit of last year will be cut down by 50 per cent.

9446. If you have no plums you are not paying a direct tax on any of the boxes ?—Still, you are taxing 15 per cent. on a struggling industry.

9447. My point is you are not prepared to pay even a third of a penny on what you receive 2s. for ?—*Mr. Abrahamson.*] And our reason is that we are not asked to pay on a Colonial industry, but something which will be supported by the people using those boxes without any compensating advantages except giving work for 40 or 50 people.

9448. I want to say frankly that I do not see this is a protective tax. Can they make the box with the 15 per cent. ?—I do not think so.

9449. Therefore it is not a protective tax ; it is simply a revenue tax ?—As a revenue tax it is a downright shame, because you are taxing an article you are trying to export.

9450. *Dr. Viljoen.*] If you are not protecting him, was not this 15 per cent. put on to protect the manufacturer ?—It was put on for that purpose, and it is not protecting him, because he cannot compete.

9451. *Mr. Kayser.*] How do you know it was put on to protect the manufacturer ?—Certainly I know.

9452. Is it on record anywhere ?—I should not like to say that. There are such things as committees and manufacturers associations. I know it was put on for the purpose of fostering the Colonial industry of box-making.

9453. *Chairman.*] Do you think the railway rate charged on fruit pays the country ? Do not you think it is a direct loss?—I do not think it is. I am not in a position to prove it.

9454. The point is you say there is nothing done for the fruit growers. I am asking whether the railway rate does not give them a very great encouragement ? —We have nothing to say against that. We think the Railway treats the fruit grower very well.

Mr. Cillie.] I am not quite satisfied.

9455. If the Railway expert tells us that they are losing on that rate, they are justified ?—*Mr. Abrahamson.*] Yes, because it is fostering the industry. I do think the farmer should be considered above everybody else, because he has the greatest hardship to contend against in order to make a living at all.

9456. You admit the farmer has special consideration on the railway rates ?—Yes.

9457. You want him to have special consideration in everything ?—I should like him to have more consideration than he has. I do not think his position or his industry has been sufficiently considered, and it is a problem which still requires solving.

9458. We had it in evidence the other day from a farmer who ships fruit, that he has made 8 per cent. Is not that sufficient ?—He must be a fortunate individual. I think his book-keeping must be wrong. I should like to follow in his footsteps.

9459. *Dr. Viljeon.*] He may not be making it on his fruit, but on his farm ?—Yes.

Biscuit and Cake Making.

William Harry Mountford, of the Attwell Baking Co.. *James McLagan*, Manager of Pyotts Ltd., *and Samuel Martin*, of Humphrey & Martin, examined in connection with the following statement :

BISCUIT AND CAKE MANUFACTURE IN CAPE TOWN.

The industry of Biscuit and Cake Manufacture was started here about 30 years ago by the late Mr. Attwell. and has continued ever since, although making but slow progress.

Other factories were started in Cape Town during these 30 years. but through lack of support and the glaring anomalies which existed in Customs Tariffs prior to the one now in operation the industry could not by any means be looked upon as being carried on successfully. In fact, it has only been since the last Customs Convention, when a duty of 25 per cent. was levied upon the imported article, that the industry has gone ahead.

Three factories were in existence in Cape Town during the past few years, and since the last Customs Convention another firm of Biscuit and Cake Manufacturers has started, and a steadily increasing business is being done in Colonial Biscuits and Cakes throughout the Cape Peninsula. These factories, it will readily be seen, afford employment for a considerable portion of the population, and as an instance of what number of workmen are employed in one factory we give you the following particulars.

Further than this, it might be mentioned that to a very large extent the products used in the manufacture of Biscuits and Cakes are those of South African origin, namely : Flour, Butter, Eggs and Fruit. Unfortunately, sufficient quantities of the articles enumerated are not so far procurable, but we believe the farming community recognise the immediate outlet Biscuit factories provide them with for their products, and as time goes on we feel sure that the output of the farmers will steadily increase.

As Biscuit and Cake Manufacturers, we think it only right to mention that Colonial produce is not always of the best quality desirable, and it would be well for our farmers to give more attention to the output of their products in more uniform quality. We refer more particularly to that of butter, this article being out upon the Colonial market in altogether too many grades. The market for this commodity is practically an unlimited one, and in the farming interest we make the above suggestion.

In appearing before this Commission we do not propose asking for more protection than at present obtained, but that it should be maintained, and that as far as possible a continuity of policy should be adopted in this respect for a considerable number of years. This would undoubtedly further encourage manufacturers to develope a manufacture which practically uses about 90 per cent. of articles that can be produced here.

It may be considered that the present duty is a fairly high one, but we would like the Commission to bear in mind that the duties upon raw materials, such as Butter, Flour, Sugar, Eggs, Fruit and Flavourings are equally high, and although we use as far as possible Colonial ingredients in the manufacture of Biscuits and Cakes, it has to be borne in mind that the price of same is governed to a large extent by the landed cost of the Imported raw material, as so far this Colony is not producing sufficient for the requirements of the trade.

We would also point out that although the duty which came into force at the last Customs Convention meant an increase of 14½ per cent. upon the price of the Imported article, we Colonial manufacturers have been able to maintain the prices ruling prior to the said Convention, notwithstanding that some of the raw materials bear higher duties as well. This is to be accounted for by the fact of the increased trade in Colonial Biscuits and Cakes which has resulted, and it is our opinion that if the general business of the country was in an improved state, the industry of Colonial Biscuits and Cakes would benefit to a much greater extent, and thus enable more employment to be given to workmen in the Colony.

As it is, whilst Biscuits and Cakes may be looked upon in the light of a luxury, there is no doubt about considerable headway having been made since the last Customs Convention, and we think this will be borne out by a review of Imports, say in 1904, as compared with years 1906 and 1907—even taking into consideration the decrease in population.

9460. *Chairman.*] Do you wish to make any further statement besides your written one?—*Mr. Mountford.*] No.

9461. *Mr. Pyott.*] You are asking for no further protection on biscuits?—No.

9462. You wish the present protection to be maintained?—Yes.

9463. Can you give us any idea why you want this maintained?—It is the only way we can compete with the oversea stuff.

9464. How long have you enjoyed the 25 per cent. preference on biscuits?—Since the last Convention.

9465. Two years?—Yes.

9466. What was your previous duty?—7½ per cent.

9467. Do you find that your business has improved under the present tariff?—Yes.

9468. Have you gone on increasing?—Yes.

9469. And your business is still increasing?—Yes.

9470. Do you give employment to a large number of people?—A fair number.

9471. Could you give us any idea of the figures?—About 120.

9472. Are you speaking for your own particular business?—Yes.

9473. What percentage of these would be white labour?—About 70 per cent.

9474. Practically two white men to one coloured?—Yes.

9475. And do you pay fair wages to the skilled men?—Yes.

9476. What is the average wage for a skilled workman?—About £3.

9477. And the experts—your leading men?—£7 and £8 a week.

9478. Do you use any quantity of Colonial material?—Largely.

9479. Can you get sufficient?—Unfortunately not.

9480. Do you not get sufficient flour?—Yes.

9481. And butter and eggs?—No, not sufficient.

9482. Do you find the quantity increasing? Are not farmers producing more butter and eggs than they were doing?—Undoubtedly.

9483. You speak here of the quality of the butter. Will you tell us what difficulty you find in the Colonial butter?—There is such a tremendous difference in the grades.

9484. You never get two samples alike?—Yes.

9485. Will not the system of co-operation get over that difficulty?—Undoubtedly.

9486. Are you getting any quantity of Colonial raisins here?—Yes.

9487. How do the prices compare with the English?—Very favourably indeed.

9488. Are you getting them cheaper?—The sultanas I bought last year were a shade cheaper than this year.

9489. They have gone up all over the world?—Yes.

9490. Have you been able to get sufficient here this year?—Yes.

9491. You have imported none ?—None this year.

9492. So there will be a big outlet for the farmers' produce in that way ?—Yes.

9493. What percentage of Colonial butter and eggs have you been able to get this year ?—Eggs I should think about 40 per cent. and not so much butter.

9494. I suppose your great point is you want some continuity of policy ?—Yes.

9495. How long would you like the next tariff to remain in force ?—Not less than ten years.

9496. Do you think at the end of that time you will be able to go on with your industry without any protection ?—Yes ; I think the output would enable us to do that.

9497. Do you think you will have a sufficiently large market in Africa itself ?—I do.

9498. *Mr. Tod.*] Are you affected at all by the preferential railway rates ?—Yes.

9499. You know there is an agitation going on for their abolition ?—Yes. If they are abolished I hope we shall get a like protection through the port.

9500. Do you press that point ?—Yes.

9501. What protection do you consider necessary to compensate you for the loss of the preferential railway rates ?—I have not gone into that.

9502. It does not amount to very much ?—It is a big item ; it is ¼d. a pound.

9503. To what point would that be ?—Kimberley.

9504. Then do you think you would want ¼d. per pound further protection ?—Yes.

9505. What percentage of the value would that be ?—There is such a tremendous difference in the value of biscuits ; they run from 4d. to 3s. per pound.

9506. At any rate, you could not give the Commission that ?—Not at the moment.

9507. Will you hand it in later ?—Yes.

9508. *Mr. Scott.*] I suppose if there is a continuity of the policy of the tariff it will encourage your industry ?—Undoubtedly.

9509. You may extend your factory as you find the requirements arise ?—Yes.

9510. I understand you are in favour of using as much of the Colonial products as possible ?—Yes, in every way.

9511. Of course we have it in evidence that butter will be largely produced in the country by means of co-operation, etc., in the future ?—Yes.

9512. *Mr. Harlow.*] Would you mind telling the Commission how many hours you work, or how many staffs you have at work ?—I take it you work the whole 24 hours ?—Yes. The time is 57 hours.

9513. So you have three staffs of men ?—We have a break.

9514. Naturally, you bake bread as well as biscuits and cakes ?—Yes.

9515. Supposing a further duty was put on wheat, how would that affect the consumer ?—It means it would add to the cost.

9516. It would necessarily raise the cost of bread, would it not ?—Yes.

9517. Even if another 1s. per hundred pounds were put on?—If the duty were put on, the price of flour would go up here, without competition kept it down. I cannot speak from the milling point of view.

9518. If the miller raised the price of flour 1s. per bag to the baker, you would necessarily raise your price of bread to the consumer ?—Yes, it would have to go up taking the present high rate of flour.

9519. Do you use any boxes in your trade ?—Yes.

9520. What class of box ?—Wood and tin.

9521. From what source do you procure your wood boxes ?—Cape Town.

9522. Manufactured locally ?—Yes.

9523. Do you use any quantity ?—Yes, in proportion to the trade, and that is increasing.

9524. Can you give us any idea of the amount you use in a year ?—Not at the moment, but I can hand it in.

9525. Do you find this 15 per cent. duty on boxes affects you at all ?—You mean in the price we are paying ?

9526. Yes ?—We are buying here very satisfactorily now.

9527. The Colonial manufacturer of boxes is supplying you at very reasonable rates ?—Yes.

9528. If the duty were taken off you would naturally import your boxes ?—Yes.

9529. To the detriment of the local manufacturer ?—Yes.

9530. Do you make your own tinware ?—No. We have a tinsmith, but the majority of it is made at Salt River.

9531. You support a Colonial manufacturer in regard to your tinware ?—Yes.

9532. You say the last Customs Tariff has been of benefit to you ?—Undoubtedly.

9533. Therefore you do not ask for it to be raised any further ?—No.

9534. *Dr. Viljoen.*] What is the general idea ; is the quality of your biscuits as good as the imported article ?—There is, undoubtedly, a prejudice against Colonial biscuits.

9535. Do you get many complaints ?—No.

9536. Do you get any ?—Yes. Of course people will complain of the manufacturers here and will not of the imported, because it is too far away.

9537. Does the price at which you sell your biscuits compare favourably with the price of the imports ?—Very favourably.

9538. The price is about the same ?—In fact I think ours is a little less.

9539. You gave an answer to Mr. Harlow that if the duty on wheat were raised by 1s. a hundred pounds that would increase the price of bread. Would you tell me how you are going to do it ?—I presume if the duty on wheat were increased, the flour would be charged to us, as bakers, at a higher price.

9540. Necessarily, it would be 1s. more. I am only taking a supposititious case. Say that 1s. is put on the price of flour, per hundred pounds. How will you make the price of the loaf more ? We have no farthings, and people will not take a four-pound loaf as they do in England.

9541. Do you mean you will charge ½d, more on the loaf ? Why, it seems to me an extraordinary figure is that we have it in evidence from the all millers I examined—in Cape Town we have had no miller as yet—but millers in the Eastern Province—that an additional 1s. duty or thereabouts on a bag of flour would not increase the cost of the loaf. I have that from every miller I have examined. Will you tell me that all those millers are wrong ?—If they are going to put up the price of the flour to the baker he will, naturally, have to put up his price.

9542. Every miller told me that it would not mean more to the consumer on the cost of the loaf. You in Cape Town are the only exception. Do you not get a great advantage in reference to the price of your flour by being at the coast here ?—Yes.

9543. You are not millers ?—No.

9544. You are simply buyers ?—Yes.

9545. I cannot go into the merits of the different kinds of wheat with you ?—No.

9546. *Mr. Kayser.*] With regard to the preferential railway rates?—You are aware they only apply in the Cape Colony ?—Yes.

9547. Is the bulk of your business in Cape Colony ?—A great deal of it.

9548. You do not do any business in the other Colonies ?—No ; we are out of it with the railways.

9549. So you would object to having the present facilities withdrawn ?—Yes.

9550. And in that case the local competition would not do away with the extra price, so to speak, which you have to pay ?—No.

9551. So this particular trade is an exception ?—Yes.

9552. Because we have been told all along in every other trade that the competition would keep the price down. In your case, if an extra charge were put on you say the price to the consumer would be increased ?—If you are going to take away the preferences on the railway we want a like protection.

9553. You would have to increase your price ?—Yes.

9554. And the local competition would not meet that ?—I do not think so.

9555. I take it you will give me the same reply if I ask you as to flour going up 6d. a bag ?—I do not think 6d. a bag would make a difference.

9556. Would 1s. a bag make a difference ?—Yes, it would at the present prices.

9557. If the price of flour was increased 1s. a bag you would have to increase your price ?—Yes.

9558. So local competition does not count for much ?—No.

9559. All we have heard from local manufacturers of competition keeping the prices down does not apply in your case ?—No.

9560. With regard to butter, you import a fairly large quantity ?—Yes.

9561. Will you tell us the price you pay for it ?—We are paying 1s. 2d. at the present time.

9562. What would be the highest price you would pay ?—We have paid up to 1s. 4d. I do not say we should be prepared to pay up to that.

9563. What is the cost of imported butter ?—1s. 1½d.

9564. So in order to make it certain that the Colonial farmer would get 1s. 4d. for his butter it would be necessary to put an extra duty of 2½d. on the imported butter ?—Yes.

9565. Do you import any substitute for butter ?—A little. We get margarine locally.

9566. Do you mind telling the Commission the cost, landed here, of margarine or substitutes for butter ?—It is also made in this country.

9567. Give us both ?—The imported costs 8d. landed here, and the Colonial-made—supplying your own tubs—you may get for 6½d. or 7d.

9568. Margarine can be imported for about 8d. a pound ?—Yes.

9569. Would you have any objection to a prohibitive duty being put on margarine ? Would it largely affect your business ?—It would largely affect us.

9570. As a matter of fact, to manufacture your goods at the present prices it is absolutely necessary for you to have it ?—Yes.

9571. Do you mind giving me the same information as to the price of imported eggs as compared with the Colonial article ?—We have not imported any for a long time. We used to import them, We have been able to buy more satisfactorily from local people ; they are imported eggs, though. They take all the risk.

9572. What price have you been able to pay for Colonial eggs ?—We have been paying 11s. and 12s. a hundred.

9573. And the imported eggs cost you about ?—About 10s. 6d. Of course they vary tremendously at different times of the year.

9574. I do not understand that, because you can buy them at any time of the year and keep them ?—We have never stored them satisfactorily.

9575. Why I ask you is that I understand in regard to butter that there are certain times when you can buy large quantities, but the difficulty is storing—on account of the reason you gave as to the mixed qualities ; some butter will keep and other will not ?—Yes. It is more so in the case of eggs.

9576. On account of the uncertainty of the Colonial supply you are obliged to use imported eggs ?—Yes.

9577. *Mr. Pyott.*] You said 1s. difference in the price of flour would affect the price of bread. Would you tell the Commission what ½d. per pound in the price of bread means in the price of a sack of flour of 200 lbs. ?—About 10s. 6d.

9578. The price of flour has considerably advanced for the last nine months ?—Yes.

9579. Have you increased the price of your biscuits ?—No.

9580. *Mr. Harlow.*] You have on bread ?—Yes.

9581. *Chairman.*] I suppose you know the objection raised up-country to the preferential railway rates ?—No, I do not.

9582. They make the objection that they have to pay higher railway rates on raw products for the manufacture of biscuits and cakes than for the manufactured article. I suppose that is a fair objection to make. They object to having their trade taken by you by means of preferential railway rates and having to pay a higher rate on the stuff they get up for manufacturing purposes. That is the reason we ask you whether you would object to the preferential railway rates being done away with. The contention generally made is that all the manufacturers should be put on the same basis and no preferences given to the manufacturers at the ports.. You cannot suggest anything to meet that except taking away the preferential railway rates ?—No.

9583. *Mr. Kayser.*] You tell me that if the present preference which you get on the railway were removed you would be obliged to increase the price of your biscuits ?—Yes.

9584. What is the present preference, say to Kimberley ?—¼d. per pound.

Mr. McLagan.] On the basis of taking Kimberley as the point it is 2s. 2d. a hundred pounds from Cape Town.

9585. The difference in the price of a bag of flour of 1s. would increase the price of your biscuits ?—Yes.

9586. But the previous advances of several shillings a bag have not altered your prices ?—So far they have not.

Brewing.

Robert Orr General Manager, and *Reginald Patrick Fitzgerald*, of the South African Breweries, examined.

9587. *Chairman.*] You are giving evidence on the brewing industry. Do you wish to amplify the statement you have put in ?—*Mr. Fitzgerald.*] Just to answer questions.

The following alterations in the tariff were asked for in the statements referred to :—

Malt—from 2s. per 100 lbs. (less rebate of 2d. to British) to former duty of 1s. per 100 lbs.

Flaked Maize—from 2s. 9d. (less 3d. rebate) per 100 lbs. to former duty of 1s. per 100 lbs.

And further protection against Imported Beers.

9588. *Mr. Pyott.*] Can you tell us why you are asking us to revert to the old duty of 1s. on malt ?—*Mr. Fitzgerald.*] I think we have stated it pretty fully in this letter. The main reason, from our point of view, is that while they have increased the duty on malt we have also had heavy taxation going on in other directions, which have all tended to increase the cost of production of the beer ; and this, from our point of view, is nothing more or less than a heavier impost than previously on the raw material. We are quite unable to get malt in any quantity of proper quality in the Colony. Not only here but in other parts of South Africa have we tried to induce the farmers to grow suitable barley, so as to make the question of malting a possible one in this country, but nothing successful has ever been done, or seems likely to be done, and meantime we are paying the extra taxation on our raw material. If it was made 4s. a hundred pounds, we would still have to import the malt.

9589. You import the barley already malted ?—Yes.

9590. You cannot find barley in the country suitable for malting ?—It can be done, but of a very inferior quality, and we can only do so to the detriment of the standard of quality of our beers.

9591. Is there any possibility of producing this barley in the future ?—I have made a point of getting samples from farmers for investigation, and we have had expert reports on them. No sample we have ever received has been anything above fair to middling quality, and the majority would be quite impossible to malt except at a considerable loss.

9592. Is the difficulty in the quality of the grain or the soil ?—I think the difficulty lies in the soil itself, and also the barley is badly handled in stacking and preparing. The barley is badly cut,. and often before it is ripe. I have had some better than others, but that is the most I can say.

9593. You cannot put any seed before the farmers suitable for your purpose ?—We have offered it to them in other South African Colonies. We have done it even in the Transvaal and Orange River Colony.

9594. Seed barley suitable for malting purposes ?—Imported specially for malting purposes.

9595. You speak of flake maize. Is it not possible to get that in the country ?—We hear that in Natal they are trying to prepare that maize specially for brewing. I should think the thing would be possible. It would be an easier thing to do than getting the proper barley for malting, because I believe the raw mealie maize is of a somewhat better quality ; it is only a question of the machinery and the knowledge of how to handle it.

9596. What part of the mealie is this flake from ?--The corn comes oft the cob. The interior of the corn contains a kernel containing some very undesirable oils, which you could not use in that state, and similarly the husk of the corn is impregnated with an undesirable oil. In America and that part of the world they have machinery for de-germing and de-husking each corn. The mealie then left is then treated in a certain way and passes through rollers and comes out as flaked maize.

9597. You think there is a possibility of getting it in this country ?—We have reason to believe that experiments have been made in Natal, and we would be only too anxious to use it if we could get the proper material.

9598. Have you tried the Kaffrarian Mills in King William's Town?—No; but we could always do so. We have never had any offer from there. We have a brewery at Port Elizabeth, which would be near there. The matter has never been brought up with us except through Natal.

9599. I suppose in the possibility of getting this from the Colony you would not press for this reduction of duty?—No. If we could get the suitable stuff here we would have no complaint about the duty. Our position is that at present we are paying this extra duty and protecting no one.

9600. Your point is that if it can be produced in the country you do not press for the reduction?—Certainly not, if it is of the proper quality.

9601. *Chairman.*] There was a moderate duty put on beer at the last Convention, because there was an extra duty on malting barley?—The effect on us is not quite the same.

9602. *Mr. Pyott.*] Can you explain the difference?—While on the one hand we are paying this extra duty on the malt—which is the direct charge we have to pay—on the other hand the amount that has been put on the imported beers is not protecting to the extent we would expect the Colonial industry to be protected.

9603. In your industry what amount of Colonial raw material is used?—Practically none except for Natal sugar.

9604. Is there any possibility in the future of your using Colonial products?—We are only too anxious, because we can get such material cheaper than the imported stuff. We have never seen a sample of hops grown in this country, and the remaining materials used besides malt are insignificant.

9605. You have a large amount of money invested in this industry?—A large amount.

9606. Do you care to say how much?—*Mr. Orr.*] Fully two millions in South Africa.

9607. What amount of people do you employ?—*Mr. Fitzgerald.*] In Cape Town we employ in the brewery less than formerly of course. There would be eighty or ninety hands in the brewery and an office staff of twelve or fifteen.

9608. What percentage of those would be white?—The office staff would be white entirely, and in the brewery the leading foreman, mechanics and engine drivers would be white, but in this particular Colony we are in the position of being able to employ intelligent coloured men in positions which in other parts of South Africa would probably be occupied by white men.

9609. What percentage would that run into, including the office staff?—30 to 40 per cent. of white.

9610. What are the average wages paid to the white men?—Skilled or unskilled?

9611. Skilled?—£3 to £3 10s.

9612. *Mr. Harlow.*] Would it be a fair question to ask you what the unskilled labourer would get?—£2 a week or sometimes less. We get the labouring work done at 6s. a day.

9613. You complain that the present duty is not enough to enable you to carry on?—I said we were not fully protected and in certain parts of the Colony could hardly compete.

9614. Of course you are running your breweries at a certain amount of profit?—We run it as a business concern.

9615. At the last tariff you were still running as a paying concern—referring to the Castle Breweries which you represent?—We have branches in different colonies throughout South Africa.

9616. Has the present tariff been of any benefit to you in any shape or form, or against you?—I should think we are certainly worse off under it than previously. The extra duties we have to pay on the raw material have not been compensated for in any other direction in that tariff.

9617. Prior to the present tariff coming into force did you not make an attempt to raise the price of your liquor?—Before the excise came on?

9618. Yes?—Not to my knowledge.

9619. Say about 1904?—That was about the time the excise came on. I should say certainly not prior to the excise, to my knowledge. When the excise duty came on the prices were reconsidered.

9620. In the event of your getting what you are asking for now, will it tend in any way to reduce the cost of the consumer?—That would be a question depending entirely on the middleman; I do not think the difference would be sufficient for him to be inclined to reduce his price to the consumer.

9621. Do you not distribute your own goods?—No. We have no retail trade at all; we have to deal through hotels and bottle stores.

9622. You deal direct with the hotel and bottle-store keepers?—Yes.

9623. There is no middleman between the brewer and the retailer?—No. We deal direct with the retailer except in the case of up-country depôts and small places where there might be agents.

9624. And you do not think the consumer would reap any benefit from this?—To the extent of taking 1s. per hundred pounds off the malt? I do not.

9625. Could you give us an idea, if it is not a secret, what amount of malt you use? I want to get at the amount of imported malt used?—You can take it that practically the whole of the stuff used is imported. You can see by the Customs returns the amounts of stuff imported by us.

9626. You say the farmer has not attempted to produce the good barley?—He has certainly not succeeded in producing suitable barley. Some samples are better than others, but none is of the quality to produce a first-class malt for the production of the high class of beers we aim at producing.

9627. You would not go so far as to suggest that it could not be produced here?—I think they could improve upon what they produce at present, but I still say I have never seen anything to show they can produce barley equal to the malt we import.

9628. Do you know we are exporting a great deal of maize now?—Yes.

9629. Would it not be possible to have that manufactured as you have been explaining to us just now?—I am of opinion that that could be done. I believe it is being done at present in Natal.

9630. I suppose you have not considered the advisability of putting up machinery here to do it yourselves?—Only a very small percentage is used; 5 per cent. of the whole material would not be maize. We have considered the question of securing that maize from Natel if we can get the proper quality.

9631. That 5 per cent. only applies to one brewery?—I give that as the usual figure in brewing; it would not be more.

9632. It is really a thing not worth mentioning?—It is worth mentioning inasmuch as the duty has been raised on it, but it is nothing like the importance of the malt.

9633. *Mr. Orr.*] We pay 2s. 9d. per hundred pounds now as against 1s. previously.

9634. *Mr. Tod.*] Did I understand you to say that you have distributed malting barleys to the farmers to grow?—*Mr. Fitzgerald.*] Not in this Colony, although we are perfectly prepared to do so. We have distributed it from Johannesburg, and I believe in the Orange River Colony also.

9635. Did they send you the results?—Some of them came in; they were not followed up altogether. We let it be generally known that we had the seed barley for them if they wished to secure it—that is, samples of it.

9636. You are prepared to admit that it would be a good thing if we could grow this barley in the Colony?—Yes.

9637. And if there was a possibility you would suggest the protective duty on malt being raised?—I would not like it raised until that was an accomplished fact. It is an extra cost of production put on us here without protecting any one or anything in the Colony. If barley could be secured and malted in this country, we would be prepared to admit the fact that it would be a far more economical and far better policy to deal with the Colonial producer.

9638. Who ultimately pays the duty? Is it not the man who drinks the beer?—He has not paid more since the extra 1s.

9639. If the duty were taken off, would it reduce the price?—That would rest with the middleman. It would relieve us who are already heavily taxed in other directions. Our duty alone in excise on beer is higher to-day than in England after many years of legislation and increasing the duty.

9640. You will accept the principle that the people who drink the beer must in the end pay?—No more than in any other business which has to go on as an existing concern. *Mr. Orr.*] Our prices to the consumer are cheaper than anywhere else in the world for the quality of the beer.

9641. Can you give any information with regard to the position of the imported beers? Are they still competing against you?—*Mr. Fitzgerald.*] In the towns very very slightly; there we hardly take them into consideration for competition. In certain districts of the Cape Colony, where the retailer can command a better price than in the town, we feel the competition very much, especially in places supplied from ports like Port Nolloth, where there is ox transport and therefore no preferential railway carriage. We cannot sell our beer there.

9642. You can get preference on railway carriage in the Colony? -We have shown it in our statement—½d. per bottle.

9643. Are you prepared to say what protection you want against the imported beer? I would ask you to do that assuming the duty on malt continues?—That would be a question which would have to be gone into very largely on the prices paid by the up-country stores and retailers for the imported beers and the prices they get for them across the bar. It is a fact that they are getting much better profits for the imported beers and that they push the sales of the imported beers and keep back the sales of the Colonial article—for the very reason that it is more profitable for them to do it.

9644. You say you want more protection against the imported article. Will you not hand in a statement saying what, in your opinion, would be necessary?—We can do that

9645. And in doing that I would like you to look at the aspect of the preferential railway rates because there is a considerable agitation going on against them, and there is a possibility of their being done away with. You want to consider what compensation you would require in place of those?—You mean the ½d. a bottle preference would be removed, and we should bear that in mind in drafting a suggestion for further protection at the port of entry.

9646. Yes. It would be much more valuable if you gave that recommendation after careful consideration?—*Mr. Orr.*] We will send in a recommendation to that effect.

9647. *Mr. Scott.*] Can you tell the Commission if your industry gives support to any other industry in the Colony?—*Mr. Orr.*] In the way of coal. We have large purchases of coal, and we have heavy transport and keep lots of mules and horses and wagons and so on, and then our railway transport is very heavy.

9648. But of course that would be so in the case of the imported article also. Does it give employment to other industries outside the brewery?—Our wages bill is close on £100,000 per annum, and we have all those employees who are helping the different industries in South Africa. *Mr. Fitzgerald.*] Besides that all our small stores are purchased locally. We import nothing more than we can possibly help. In the timber trade, or anything of that kind, we like to call for tenders to see what can be made locally.

9649. Do you make your own barrels?—*Mr. Fitzgerald.*] We make them up here. *Mr. Orr*] The wood is not satisfactory here.

9650. You import the timber?—*Mr. Fitzgerald.*] We must import it.

9651. There is no Colonial timber suitable for the barrels?—*Mr. Orr.*] No.

9652. With regard to bottles, I suppose those are all imported?—Yes. That is a big question. We have studied it for a long time, and we would like to see a bottle factory established in this country, but I believe the drawbacks are too great altogether. They had one at Glencairn, and it was a great failure. The principal objection, I think, is the matter of wages; you have to import men to do the blowing, it is all done by mouth.

9653. Was that the cause of the bottle factory failing?—One cause. The men in Gothenburg do not live much over forty through the blowing of these bottles. *Mr. Fitzgerald.*] We dealt with them as far as we could. Their price was based on a figure which just came very slightly under the imported price, and not a single one of their samples came up to our requirements; we had sample after sample.

9654. That industry was only in existence a short time. It never had a fair opportunity of getting on its feet?—*Mr. Fitsgerald.*] That I cannot say.

9655. I suppose your company has no inclination to start such an industry?—*Mr. Orr.*] It would be too much for us to undertake. We would like to see an industry of that sort started in the country if it is possible.

9656. Do you get your printing done locally?—Most of it is done locally.

9657. So you support the local printers?—Yes.

9658. *Dr. Viljoen.*] Have you made any serious attempt to get barley grown by the farmers in this country on a large scale?—*Mr. Fitzgerald.*] No. Before we could do that we would need to erect maltings here.

9659. I asked whether you have made any serious effort to get barley grown in this country?—I have made serious attempts to get samples in this country.

9660. Would you be surprised to hear that about this time last year a wire was sent from a place in the Midlands offering very superior barley—perhaps better than they could grow here—to one of the large brewers in Cape Town, and that the price offered for it delivered in Cape Town was absolutely out of the question, the man could not produce it for that? That does not look like encouraging production?—It would be absolutely no use the brewery buying barley in large quantities; it would go bad on their hands. They would have to spend £20,000 or £30,000 in erecting maltings.

9661. You anticipate my question. Have you the necessary machinery here to convert the barley into malt?—No.

9662. Is that not one of the reasons you want a reduction of the duty on malt?—On the contrary, we would like very much indeed to be able to see the samples of barley for which we could erect maltings. *Mr. Orr.*] That question has been considered over and over again, and we are perfectly willing to do it if we can get the stuff. We have a letter from Messrs. Ohlssons, in which they say, in regard to the maltings they have erected: "Whilst endeavouring to obtain sufficient barley grown in the Colony . . . we are forced to import a quantity of English barley, which cannot be successfully grown in this Colony, being of quite a different quality to that necessary for the brewing of our beers." Our opponents say the very same thing; they cannot get the barley.

9663. You represent the South African Breweries?—*Mr. Orr.*] We represent the brewing industry. We are perfectly willing to put up the maltings if we can get sufficient barley of the proper quality.

9664. If you were offered 10,000 bags of superexcellent barley suitable for malting purposes, you could not buy it? You could not convert it into malt?—*Mr. Fitzgerald.*] The samples would be of great use to us.

9665. If you were offered 10,000 bags of superexcellent barley suitable for the purpose, you could not buy it?—*Mr. Orr.*] No. It would be ridiculous to put up the plant first unless we knew we should be able to use it. Our opponents are not using theirs. It is no good putting it up and letting it stand idle.

9666. You say this thing is controlled by the middleman. Are not many of the hotels and bottle stores in Cape Town and other places controlled by the breweries?—*Mr. Fitzgerald.*] To the extent of the tie for the sale of beer.

9667. They are tied houses to the breweries?—For the sale of beer. *Mr. Orr.*] They pay the same price for the beer.

9668. When the Parliament of the country put an excise on beer a couple of years ago what excise was put on this tickey beer?—*Mr. Fitzgerald.*] 4s. 6d. per barrel under 1040° specific gravity. That would be 1½d. per gallon.

9669. What was the consequent increase in the selling cost of that beer; was it simply increased by 1½d. a gallon?—I should think the opportunity was taken then to put the tickey beer on a basis on which it caused less loss to the brewery than previously.

9670. They gained by the excise?—They decreased their loss on that beer. I have not the figures.

9671. What was the price of tickey beer previous to the excise, and what was it after the excise was put on?—*Mr. Orr.*] I am afraid we have not the figures. We could supply them.

9672. That is very important, because one of the grievances you have here is that you have been burdened with an excise, and it is our duty to redress all grievances if we can do so. Therefore I want to see if there is a grievance about the excise?—*Mr. Fitzgerald.*] We treat the excise as a form of revenue which is likely to be levied on the industry in any country of the world. We maintain that the tariff is the additional burden. *Mr. Orr.*] We have not asked you to reduce the excise.

9673. You have a grievance here in the excise. You say you have this excise and other things and therefore want protection against the imported article. I want to know what difference the excise made to you, and I will not confine myself to the 1½d. per gallon but the other beers to. Were you losers through this excise?—*Mr. Orr.*] I do not think either of us was here at the time, and we cannot speak on these figures.

9674. Will you give us a statement of what the price of a gallon of tickey beer was antecedent to the excise and what the price was subsequent to the excise—per bottle—what the retail man had to pay?—We can do that.

9676. Not alone with tickey beer, but the other beers to?—Yes.

9675. You send a good deal of your stuff up country?—Not out of the Cape Colony.

9677. I mean in Cape Colony?—Quite right.

9678. Of course you derive considerable benefit, I presume, from the preference on the railway?—Yes, we derive a certain benefit from it. *Mr. Fitzgerald.*] It is dealt with in our statement.

9679. Would you advocate an abolition of the preferential railway rates?—*Mr. Fitzgerald.*] Without giving compensation elsewhere? We would not recommend that.

9680. You would only forego the preference on the railway provided you were compensated at the port?—We would have to take the whole matter into consideration; it is pretty large question. Talking upon the particular question before us, we would simply be giving away the advantage of the further protection of ½d. per bottle if we agreed to the abolition of the preferential railway rates. Possibly on considering the question as a whole we might see where we could get compensation in other forms.

9681. In the absence of compensation you would be opposed to the abolition ?—Yes. With regard to the price of tickey beer, I might say the quality of the beer has improved. It is a noted fact that the whole of the quality and cost of production has been considerably enhanced since the price of the tickey beer was raised.

9682. *Mr. Kayser.*] Is not the imported beer practically going out ?—In the towns and coast ports very largely.

9683. As far as Cape Colony is concerned have you looked at the figures ?—Yes. I know where the competition comes in certain districts, where we absolutely cannot compete.

9684. The figures are rather startling. In 1905 the total value of ale and beer imported into Cape Colony was £86,680, whereas malt was £44,940. For 1906 the total value of ale and beer imported was £79,417, and of malt £28,673. In the nine months ending the 30th September, 1907, the total ale and beer imported was £24,932 and of malt £20,256. So it looks as if the protection had a very serious effect on the importation of ale and beer ?—There are two or three other points to be taken into consideration. Firstly, the spending power of the community in 1905 was very much higher than to-day. We agree that in the towns and coast ports the sale of the imported article has been very largely decreased—not by protection, but owing to the fact that the Colonial article was as good, if not better quality. It has constantly been borne in on us that we have nothing to fear on these grounds. Besides, being on the spot we can turn out the beer far more advantageously than the people importing. Of course it will be found that no brewery is producing anything like the amount to-day of two or three years ago.

9685. I wish to point out that the importation of beer has decreased enormously, whilst malt has increased proportionately. You are now importing almost as much malt as beer. It looks as if the Customs Convention has been of great service to you in the trade. With regard to using Colonial barley, if an increased duty were put on malted barley would it not have the effect of making you use more Colonial barley ?—We should have to pay more for the stuff if we wanted to keep up the quality of our beers. We are anxious to use the Colonial barley. It is obviously our best policy to be on good terms with the farmers and every one we want to drink our beers, apart from everything else.

9686. If the duty on grain remained as at present and it was increased on malted barley ?—We would have to consider the question of erecting malting for the barley—if barley came in free and malt was taxed.

9687. *Chairman.*] You say you want to increase the protection. What further protection do you want ? You do not mention how much ?—We did not go fully into the question. We are quite prepared to draft some resolution on the question of the amount of the proposed protection and send it in.

9688. The railway rates do not affect you so much in this Colony ?—To a slight extent.

9689. You have not much rail carriage ?—For the delivery of raw materials to the brewery ?

9690. Yes ?—Not to a great amount, except for returned empties. We have raised the question of showing how the price of malt has been increased all round to the breweries, inasmuch as under the old tariff when malt was imported at 1s. per hundred pounds duty the dock dues on malt were levied on the basis of 1,600 lbs. to the ton, whereas since July, 1906, the dock dues have been on measurement of 40 cubic feet to the ton, which is really less.

9691. That only applies to Cape Town ?—Yes. We take an exact shipment of malt of 75 quarters. The dock dues on that under the old measurement would have been £2 2s. 3d., whereas under the new system of measurement the amount paid is £3 12s. 9d.—for the same quantity of malt. That is an increase of more than 50 per cent. at this port on the introduction of malt in the shape of dock dues. We mention that because it bears heavily on us.

9692. *Dr. Viljoen.*] What is the excise on beer here ?—3d. a gallon.

9693. What is the excise in the neighbouring colonies within the Customs Union? —*Mr Orr.*] 4d. in the Orange River Colony and 4d. in Natal, but that is of a certain specific gravity. It would be the same as the heavier beers here—1057°. The tickey beer is less.

9694. The beer paying 3d. here pays 4d. in the neighbouring colonies ?—That is right.

Charles Stephen Meacham (representing the Ohlsson's Cape Breweries), examined on the points contained in the following statement.

BARLEY.

Whereas in the past there has not existed—on any considerable scale—any malting industry in this Colony, we during the last few years have built and equipped a large Patent Pneumatic Maltings with the best and most modern malt-making machinery that exists, at a cost of something like £100,000.

As the Customs duty is at present arranged, however, on an equal rate for both barley and malt of 2s. per 100 lbs., this malting industry is penalised to the extent of about 2s. 4d. per quarter over that of the imported finished article. This is owing to the fact that 448 lbs. of the raw material barley is required to produce 336 lbs. of finished malt.

Therefore a quarter of finished malt weighing 336 lbs. pays a Customs duty of 6s. 8d., whereas a quarter of 448 lbs. of barley—to make this weight of malt—pays a duty of 9s.

Further, we, as brewers—being the only malsters in South Africa—are handicapped as against other brewers who have not spent money in creating a new local industry, for—owing to the extra duty—by importing the barley and making our malt here, it costs us about 2s. 4d. per quarter more than if we imported the malt.

We beg to suggest that the tariff on barley for malting purposes be reduced to and fixed at half that at any time existing for malt.

The lowering of this duty will not be detrimental to the barley-growers of this Colony for the following reasons :

The class of malting barley, which can be successfully grown in certain parts of the Colony, is of the Californian or Oregon type. Only a certain percentage of this barley can ever—for technical reasons—be used in brewing. The heavier quality of English malting barley has not, and apparently cannot, be grown with success here, owing to the climate and the soil, so that this at all times has to be imported. A lesser duty on barleys would not adversely affect barley-growers of this Colony, for whilst English barley must of necessity be imported to a certain extent, the heavy freight on the Californian or Oregon barleys is always a sufficient protection to the Cape barley.

MALT.

We also at the same time submit that the present tariff on malt of 2s. per 100 lbs. is too high.

With heavy Excise duty in addition to Capital and Income Taxes, the industry is already overburdened. We also consider that the duty on imported beers is not sufficiently high to afford adequate protection to the local products."

9695. *Chairman.*] Do you wish to add anything to your statement ?—I do not think so ; I think that is fairly full.

9696. *Mr. Tod.*] You say here that the present duty on malt of 2s. per hundred pounds on malt is too high ?—It is very high in conjunction with the Excise duty and the other taxes which we have to pay. We find ourselves very hardly hit with the brewing industry. It takes us all our time to make the cost of production come out with the sales.

9697. What would be a fair tariff?—I think if we went back to 1s. instead of 2s.

9698. You also say the duty on barley should be half that on malt ?—That is my chief point. Perhaps I represent the malting more than the brewing industry here, because we run the maltings separate from the brewery. I have charge of the maltings, and it is my endeavour to make the malting industry pay. The accounts are kept separate and the malt charged to the brewery. At the present time, with barley at double the import duty of malt, it handicaps us very much indeed, and it is difficult to make our malting pay as an industry.

9699. You say you want the duty on malt to be 1s., and also say the duty on barley should not be more than half that of malt ; therefore you propose the duty on barley should be 6d. per hundred pounds ?—Yes. Whatever the malt is barley should be half.

9700. Barley should be 6d. as against 2s. to-day ?—Yes.

9701. What arguments can you give for this enormous reduction of the protective duty on barley ?—We could import our malt ready-made cheaper than we can import the barley to make it.

9702. I quite understand the position as between the malt and the barley, but what justification have we to reduce the duty on barley from 2s. to 6d. ? Will you say barley cannot be grown in this Colony ?—No. I would like to say something on that point. In brewing two classes of barley are used for malting. One is English barley, which, as far as we know, cannot be produced here. We have imported seed and tried to grow it, but have not succeeded in getting a good sample of English barley grown in the Colony.

9703. Have you tried it in all districts of the Colony ?—Not all, but the best districts. Worcester and Montagu districts are the best. The other barley used is the Oregon or Californian barley ; and that is used there and also out here to the extent of about 50 per cent. of the whole of the malt. The barley grown in the Colony is of that class. It is not of the English type, but of the Californian or Oregon quality. Therefore, whatever the duty was on English barley, it would have to be imported to the same extent as now. This will not make the slightest difference to the barley growers in this Colony so far as the English barley is concerned, because either that or the malt must be imported under any circumstances, seeing that from a technical point of view it is necessary to import a certain quantity of barley and to have malt of that class in the beer.

9704. You take it for granted it cannot be grown here ?—Based on our experience so far. We have seen barley grown out here, and in the first year it has deteriorated, whilst in the second year it has been no use at all for the purpose. In England they grow a plump, fat barley, which has an analysis very different to this barley ; it has more nitrogenous matter—more yeast food. It lacks that out here. Whether it is the poorness of the soil I cannot say, but I should think it is ; the soil apparently does not suit it. Also it may be the climate, because barley here ripens very much more quickly than at Home.

9705. Your experience is rather limited ?—It is limited to two or three trials a year over an extent of six or seven years.

9706. In the one district ?—In the Cape, Worcester and Ceres districts.

9707. Have you tried it in the Eastern Province at all ?—No. We do not draw barleys from there. The only barleys I have seen submitted to me from there are not good barleys, but apart from that the railway rates are so high that we cannot get barley except from the Western Province.

9708. If you get the protective duty reduced from 2s. to 6d., I do not think you you will get any Colonial barley ; it will be cheaper to import it all ?—No. Between buying Californian barley to malt or Californian malt ready made the difference is about 10s. a quarter ; it takes us 10s. a quarter to malt out here.

9709. Does that include the loss in weight ?—In comparing the malt with the barley from which it is made, we do not go by weight ; we go by measure. Eight bushels of barley make eight bushels of malt, but the weight of the malt is less. We can buy that quarter of barley in England and bring it out here to malt, or buy the malt, and the difference landed at Cape Town is about 10s. The cost of malting here is, as near as possible, 10s. a quarter, which is more than double what it is at Home, because we have four times as much to pay for our coal for power for driving and kiln drying, and we have more than double the wages to pay for labour. In our malting system, which is the latest process—entirely done by machinery—it is nearly all high class white labour that is employed—men who can be trusted to move amongst machinery.

9710. How many men would you employ to keep the malting plant going ?—We have 12 to 15 men, and pay £1,500 to £2,000 a year wages in the maltings at present.

9711. Are you working the plant ?—We have been doing for two full seasons. We started in 1905. This is our third season.

9712. What proportion of Colonial barley have you malted ?—It has been low.

9713. Can you tell us how low ?—We imported last year 6,000 quarters of Californian barley as against 2,000 quarters of the Cape barley. The 2,000 quarters of Cape barley were every bushel we could scrape together in the Cape Colony. This year we have made special efforts. We have five agents now in the Western Province, from Hex River to Swellendam, and right through the whole place. We have given them quotations for every station, so as to save the farmers any bother about paying railage. We give the quotation for the barley on rail at the particular station. We make it equal to one price ; that is, we take the difference in the railway rate from that particular station, so that the price varies at every station, because we have to base it on what the barley comes in our malthouse at.

9714. If you have the duty on barley taken off you will have to offer a lower price ?—I do not think so, because the price of barley in this Colony is to a great extent regulated by the price of oats. If oats are dear barley is dear, and if oats are cheap barley is cheap. The variation has not been much more than 1s. while I have been in the Colony.

9715. You are the only maltster here ?—Yes.

9716. How does the price of oats affect you ?—If the price of oats is high they will not part with the barley. It is used for ostrich feeding, etc. We are not the only buyers of barley, but of malting barley.

9717. You are aware the taking away of the duty on barley will meet with considerable opposition from the farmers ?—I think the farmers are protected because of the high freight we have.

9718. I thought you said you could only buy in a limited area on account of the high railway rates. You know you can bring stuff by sea for a very little price compared with a short distance here ?—We have to bring the barley from South America, which is 22s. 6d. a ton, or about 6s. a quarter. I do not mind telling you the difference we have been paying at present between the Cape barley and the other barley is this. We now get Oregon or Californian barley landed here at about 12s. to 12s. 6d. per quarter. A quarter is 448 lbs. We get the Cape barley at 10s. landed in the malthouse.

9719. As against the imported at 12s. ?—Yes. If you take the 1s. 6d. off it will still leave 6d. to 1s. which it would cost us more to get in the Californian barley.

9720. Then you are giving them 1s. 6d. too little for the barley now ?—No. I was quite prepared to hear that statement.

9721. You pay 2s. less than the imported, and if the duty were taken off you would pay 6d. more for the imported ?—If the duty were taken off I do not think it would affect it. If we could get sufficient Cape barley I would not raise the question. As maltsters we do not care what the duty is on Californian barley if we get the Cape barley. I think for the sake of protecting the 2,000 quarters, which is all the Cape can produce, it is unfair to tax us heavily for the remaining 6,000 imported.

9722. Do not you think there is a hope of growing it out here?—I hope so, and we are doing everything we can to encourage it.

9723. And therefore you want to take the duty off?—Our chief point is we want the duty reduced on the English barleys which must be imported under all circumstances, and which places us at a disadvantage with other brewers who cannot malt the barley. As long as the Cape cannot produce the barley we think it is unfair to tax the Oregon or Californian barley. If the Cape could produce up to 8,000 or 10,000 quarters a year, of which there is no prospect at present, we would not care what the duty was on foreign barley.

9724. It would not be possible to differentiate between the two classes of barley—the class which can be grown here and the class which cannot be grown here?—It is unfair to us as long as you cannot produce the barley in the Cape, because we have to import. We are obliged to import it because it is not grown here.

9725. You are getting about 25 per cent. of your total quantity here to-day?—Yes.

9726. That is very encouraging?—I think so, and we hope to get all our barley locally eventually. I have omitted answering a point you asked me. You said we were giving 2s. a quarter less for the Cape barley than the others. A shipment of barley comes in to sample, you ship 6,000 quarters. There is not a single bag to be put on one side; it is guaranteed to sample. There is no trouble in handling, a lot of boys are put on and the machinery kept going, and it saves us cost in that way. Then in comparison with that the Cape barley comes in different grades, and we have to sort all the bags, so that the maltster has to handle every bag, and it has to be graded and some even used for feeding. The 2s. we pay less does not cover us for the difference in quality.

9727. Then I cannot understand you saying that if the duty is taken off you will put that right by the price you will pay?—I do not think the price will be altered.

9728. You will pay the same price as before?—I think so.

9729. It means in the future you will make up your mind to pay more for the quality than you are doing to-day?—At present we are paying them the same for all qualities. As there is no established barley market we cannot give 8s. 6d. a bag for one sample and 9s. 6d. for another; we have to say our price is the same for the whole country. This year we have adopted another system. We are putting on one side 3d. per bag, after we have paid for the barley, as a bonus to be returned to the farmers—but only to those farmers who are growing first quality. The 3d. per bag on those purchases will be returned *pro rata* to those men who have grown first quality barley. They will receive, say, 6d. or 9d. a bag more than the price we are paying. Whatever first quality comes in we will return this amount to them to induce them to grow first quality, and also to make up for the one uniform price.

9730. You are getting value in buying from the farmer, I suppose; it is not a matter of sentiment?—Yes. But we have to allow for storing it, for office work, correspondence and paying of cheques—which is more than with a shipment of barley——

9731. That goes to prove that the Cape barley wants protection. You can handle the imported much more conveniently?—Yes.

9732. Therefore all that convenience with regard to the imported article places the Colonial at a disadvantage, and one would think you must approach the question of protection very carefully, otherwise if you take away the protection from the Colonial barley, and the imported in addition has all these advantages, I fail to see what will induce you to buy the Cape barley, except at a very low price?—Until the Cape can produce enough, my point is that I do not think you should put a heavy duty on the imported. We have spent £100,000 in putting in our maltings. There are other brewers besides us, and for every quarter of the barley we introduce we lose money as against the other brewers who import the malt.

9733. It occurs to me the way to put you right is to increase the duty on malt?—I do not think so, because they are at present so heavily taxed, that we could scarcely bear the impost. We cannot make all our malt in this Colony, and perhaps not for many years, for this reason: We can make the Cape malt, which is the Californian variety, and English malt, but we cannot make lager malt, and all that for this brewery and our Thoma Brewery in Johannesburg has to be imported.

9734. First your argument is in favour of encouraging the malting industry, and then that we must not do so too much because we have to import some malt?—I am trying to argue from the position both of the brewer and the maltster, which is rather difficult. I maintain the brewing industry is too heavily handicapped by the duty on malt. We cannot make all the malt. The German malt must be imported, and if you have a high duty you hit us hard on that. The English malt does not affect this particular brewery—I speak now as a brewer—so much, but we find it affects our Johannesburg brewery, so as a brewing firm we cannot ask you to keep up the duty on malt for one brewery without hurting the other one.

9735. What do you want from the maltster's point of view ? You want the duty on malt twice that on barley ?—Yes, or rather say that barley wants to be half that of malt.

9736. Have you any suggestions in regard to the present Customs Tariff on imported beers ?—Yes. We feel the present duty is not sufficiently high to protect us. We do not feel it very much in Cape Town, because here our lager has practically knocked the German lager out.

9737. Is it not a fact that the Colonial beer is coming into consumption at an equal price with the imported ?—No. In places like Oudtshoorn there is a great deal of prejudice. They will take the German beer, although they pay more for it. Take Cape Town. The German hotels and clubs are the places where most lager is drunk. Now we supply all the German clubs and two of the German hotels. It is considered to be better than the German beer, because the beer here is as good as at Home. I think it is a good criterion that the beer is good, because they used to drink German beer and have dropped it. We should like to see another 1s. on the German beer which is imported for the up-country districts. We cannot compete in that where the carriage is high. There is not so much English beer imported now as there used to be. It is the German beer that is the point. The English used to be largely imported into East London and Port Elizabeth, but it is dying out, though we still suffer from the German beers which are imported into the interior of the country.

9738. Are you affected by the preferential railway rates ?—We are to some extent. We get a benefit from the Cape Government Railways, but not from the Cape Central.

9739. You are aware there is an agitation for doing away with the preferential railway rates ? – If they were done away with it would place us in a worse position in regard to German lager than at present. We do get a preference on that at present over the railways, but if that were done away with there would be all the more reason for putting another 1s. on German beers.

9740. You think whatever is taken away in preferential railway rates you must get in duty ?—We should get more ; the duty at present is not sufficient to protect us. In Johannesburg I was discussing prices with a firm, and they can put the German beer they run at ½d. less per bottle than we can when we have paid our freight, and yet our prices are cut as low as possible. We are in a bad position as far as the German beer is concerned.

9741. Supposing the preferential railway rates on lager beer were taken away, what would you want ?—There is 2s. at present, and if we had another 1s. put on, we should be covered.

9742. *Mr. Pyott.*] You say the cost of Californian barley is 12s. to 12s. 6d. a quarter ?—It is 12s. per bag of 150 lbs.

9743. Is that f.o.b. or c.i.f. ?—I am speaking of barley landed at our malthouse at Newlands.

9744. And you pay 10s. a bag for Colonial ?—Yes.

9745. Has the Californian barley a bigger percentage for malting purposes than the Cape barley ?—Than the general run of the Cape barleys, and the average we get, but I would like to point out—because I believe it has been stated here otherwise—that the best quality of Cape barley is equal to anything we can import. The best first-class Cape barley is excellent for malting purposes and we should not desire to have a better barley.

9746. Then there is no reason why you should only give 10s. for a thing which costs 12s. 6d. to import ?—As I pointed out before, the proportion of first-class barley is small and we have to take in all qualities. If we could buy on the maket as per sample we should be able to give more for the first-class than the second qualities, but at the present day we have to give one price all round, and by the time it is sorted out and made right it is not much cheaper.

9747. You do not mean you pay the same price for fat and lean barley ?—This is a six-rowed barley, and in England it is two-row barley—that is six rows on the ear. Six-rowed barley is always thin. We instruct our agents to buy barley fit for malting, but our maltster grades it into two or three different qualities. The third quality goes entirely for feeding. We have to pay the same price on that as on the first-class.

9748. You have no grading so that you can pay better prices for the best barley ? —No. It is not graded till it is in our place. We have tried to meet it by giving the 3d. a bag bonus, which will go back to the farmer selling us first-class barley.

9749. But you give 2s. more for the bag of Californian barley ?—If we take all our costs of landing the Californian barley the difference is equal to that 2s. as nearly as possible, in fact if the Cape farmer said he would not sell his barley at less than 11s. we should be obliged, in self defence, to import at 12s., because the variation of the quality of the Cape barley and the cost of handling makes the Colonial as dear as the imported.

9750. If the Cape barley is of equal quality will not you pay the same price as for the Californian ?—Yes, but at present there is no barley market.

9751. You said you get a barley equally as good here in Cape Colony as from California in some instances ?—The first quality of Cape barley is as good as the Californian.

9752. Do you not pay as much for the one as the other ?—No, because we have to buy at one price all round and grade it in the malthouse, so that we get say one-third first, one-third second and one-third of third quality, which is only good for fodder, and when you average this up you will find we have paid practically an equal price to the imported. I have myself wished to give different prices, in order to encourage the man growing the better barley. The only possible way out of it is to give back a bonus to the growers of the best barley which will amount to say 6d. or 9d. a bag.

9753. You say to reduce the duty on barley to 6d. and malt to 1s. would be no detriment ?—As far as English barley goes it could not. With Californian barley my argument is this, that the fact that we can only get 25 per cent. of our barley here makes it unfair to tax us with the other 75 per cent. which we have to import. The barley growing is a progressive thing, and as it goes on they will control the market. This is the first year we have been able to give the farmers any fair chance at all.

9754. Can you explain why they have not had a fair chance ?—I think it has been want of arrangement between the farmer and the brewer.

9755. Not climatic conditions ?—No. Of course there have been no maltings, except little floor maltings, at the brewery at Newlands.

9756. Do you think if we reduce your barley by 1s. 6d. a bag you will still pay the farmer 10s. for his barley ?—It is a nice point indeed and I cannot say much. Apart from that, I argue very strongly in regard to the English barley. Our wish is to get the barley on equal terms with the brewer importing everything I think now the farmer knows we have agents taking it off his hands and paying railage he will grow it. In many instances the farmers have dealt with Jews who have gone round the country and had their barley for merchandise. By the time it has reached us at 10s. it has gone through two or three hands, and I do not know what the farmer has received, but now he will receive the full value by the system we have introduced.

9757. Do you think by taking away the 1s. 6d. protection you will encourage him ?—I do not think it would be any discouragement to him, because the price would be the same as now. We say 10s. here is equivalent to 12s. imported.

9758. Suppose we take away three-quarters of your duty on imported beer what will be your position ?—We say we are suffering because it is not heavy enough.

9759. I suppose the farmers would tell us the same thing, in fact one of them did ?—I cannot see that reducing the duty on imported barley would affect the farmer, because he is not growing it at the present time. If he could produce all the barley we wanted and we could not give him a market it would be different, but we will take four times what he grows now. In the meantime we are penalised to the extent of 2s. 4d. per quarter on the imported barley. You require the foreign barley for mixing.

9760. What for ?—To improve the English barley, for the technical reason that you cannot brew from all English—that is to keep sound—or from all foreign either to made a good beer; to use the two together is the general practice throughout the world.

9761. *Mr. Scott.*] You are now dealing with the farmer direct ?—Through our agents.

9762. They are in direct contact with the farmer ?—We have advertised it in all the newspapers, both in Dutch and English, that we have appointed these five men for the different districts and have stated the districts for which they are sole agents.

9763. You hope by that means to encourage the farmers to go in for growing barley ? —Yes, because we now deal direct.

9764. It seems to me if you increase the bonus to the farmer he will produce more barley suitable for the markets ?—I think the bonus we give is very good. First-class growers may get 1s. more per bag than the growers of the second quality.

9765. Only the grower of the first-class will get it ?—He is the only one who deserves it. Our object is to encourage the growing of better barley.

9766. That is your honest opinion ?—Yes. It is to our interest to get them to grow the best barley they can, and we offer this as an special inducement to them.

9767. Is this 10s. an average price ?—Yes. It varies from year to year.

9768. Have you ever paid much less ?—We have paid less. We paid less when we had very small maltings and there was more barley grown in the Colony than the maltings could take. The supply was bigger than the demand then, but now the thing is reversed and will probably continue to be so, because if we had sufficient barley here to fulfil all our requirements we should propably not only malt for the Cape but for the Johannesburg house too.

9769. How much Californian barley is imported into the Colony ?—None except what we have imported ourselves. I think no one would import it for feeding purposes because it is too expensive. I think it was 6,000 quarters last year.

9770. Can the Californian barley be produced in Cape Colony equal to the Californian article ?—Yes ; I consider the small parcels we receive of the first quality of Cape barley are equal to the Californian.

9771. The farmer wants protection. They have been here telling us they cannot afford to grow barley under a certain price, and at the same time you must give a bonus ?—Take the price of oats which they grow instead of barley. The price at present for oats is only about 8s. 6d. for 150 lbs. delivered in Cape Town. You can grow as much barley, and I think it pays better to supply barley at 9s. or 10s. than oats at 8s. 6d.

9772. Why do you make that statement ? Have you any experience ?—No, except that the price of oats generally has a great deal of controlling influence on the price of barley. It has done hitherto, at all events, in Cape Colony. I have laid the figures of our imports plainly before you this morning. I have not kept them back, because we have every desire to encourage the Cape barley growing, and we think they are getting a very good price in comparison with the imported ; and I think if you helped us on the balance of Californian barley which we are obliged to import now as maltsters it would not affect the Cape barleys. We would still buy all the Cape barleys we could get.

9773. *Dr. Viljoen.*] What is the average price you paid at Worcester last year for barley ?—I am afraid I cannot tell you ; I have not the figures with me. I can tell you for this year.

9774. I will tell you—9s. 6d. a bag. We have it in evidence ?—You know last year was a very wet year, and the barley generally was inferior to this year. We did not get as much first quality last year as we might have done if it had been a fine year.

9775. What do you pay in Worcester for the barley you are now buying ?—We have fixed our rate at Worcester at 8s. 6d. which with the 3d. bonus is 8s. 9d. Then we pay the carriage on it, and it lands us close on 10s.

9776. I asked you what price you were paying at Worcester for barley ?—8s. 6d.

9777. We have it in evidence you are paying 8s. Is the barley at Worcester this year as good as last year ?—We have only received two parcels of 150 bags each, and one is good and one very inferior. I cannot give any more experience on this year's barley.

9778. The evidence is that this year's barley is better, and it would be better because we have had a better year ?—I think so.

9779. You said we could only get a limited quantity of barley in the Worcester district ?—For the last three years we have been running our maltings for taking four times as much barley as we have got. We have never refused any fit for malting.

9780. If one prominent agriculturist at Worcester made the statement- and, when asked to repeat it, insisted on it—that any quantity of barley could be got at Worcester sufficient for your requirements, what should you say ?—He makes a statement he knows nothing about, because he does not know our requirements. If he says he grows sufficient barley for us he is not speaking the truth, because we wanted 10,000 quarters last year and only got 2,000. We buy all that is offered us ; we cannot do more. We are open to buy all the barley we can at our price—all—any one—can bring it forward.

9781. Do you remember a wire from Middelburg about the end of November, asking for your quotation for good brewing malt—barley grown in Graaff-Reinet ? I do not remember that telegram at all. But could you tell me the railage from Middelburg to Cape Town.

9782. I will tell you what you replied : "We will give you 9s. 6d. landed in Cape Town." However anxious we are to study the brewing industry, we must not study that alone. We must look at the other point. The farmer has to live and pay his taxes. Can he produce barley at Graaff-Reinet and send it here at 9s. 6d. ?—I do not think so. If you take it from Swellendam he has to pay 2s. a bag on his barley.

9783. Assuming he cannot produce his barley at that price and you cannot give him more, he must go to the wall ?—We can only give one price landed at our maltings. The railage from Riversdale is 3s. 3d. per bag, and no farmer can compete with the districts round here.

9784. You say 50 per cent of the barley are of the Oregon type ?—Practically.

9785. And our barley produced here is of the Oregon or Californian type. You say we have only one quarter ?—Yes.

9786. And the other three-quarters you imported ?—We were obliged to.

9787. The other 50 per cent. you say must be English barley ?—Yes.

9788. Absolutely ?—Yes—of the English barley character. The Bohemian barley and other barleys are of the English character. The European barleys are different to the Californian barleys. I explained that the English barley was two-rowed barley. Call it European barley.

9789. This barley grows all over the world except in unfortunate South Africa ?—All over the colder parts of Europe, but it does not grow here.

9790. In other parts of the world the brewers are obliged to use the English barley ?—The proportions I have given you apply.

9791. Does that apply in America ?—No. In America they use maize very largely.

9792. There they raise maize. What do they use in Germany ?—Chiefly malt of both the Californian description and the Bohemian.

9793. This English type barley grows there ?—Yes. The larger malts are made from European barleys.

9794. What is the Home price of the barley per ton ?—Are you speaking of the English barleys or Californian, because the two are different ? Our last shipment, landed here, cost us 50s. per quarter.

9795. What is that per ton of 2,240 lbs. ?—If it is 50s. for 448 lbs. it is £12 10s. per ton.

9796. According to statistics it works out at £8 10s. per ton ?—We are speaking of two different things. I am speaking of barley, including freight, dock dues, landing charges and everything.

9797. I said the Home price ?—I could not give that.

9798. You say it works out here at 12s. 6d. a bag ?—I spoke of Californian barley. You want to know what the English barley works out at per bag landed here ?

9799. Yes ?—That is about 17s. per bag of 150 lbs. Landed at our malt-house. 448 lbs. cost 50s., and that is 17s. per bag.

9800. *Mr. Pyott.*] Including duty and freight ?—That is everything—landed.

9801. What is the duty on that amount of barley ?—9s. per quarter, which is 3s. per bag.

9802. *Dr. Viljoen.*] You make the statement that the price of barley varies with oats. Is that correct ?—It is my opinion that the question whether there are many oats grown in a season affects the price of the barley.

9803. Has that been a regular thing ?—I cannot say more than that we have always felt it. We have no statistics.

9804. Your oats were 10s. 6d. a bag and barley 9s. 6d., and this year oats are 6s. and barley 8s. Your barley has gone up in proportion and oats gone down ?—We are paying a very good price this year for barley. I do not want to base much on my contention about oats, but our impression is so. It may be it does not affect us so very much.

9805. If it is the case that oats control the price of barley then it is the duty of this Commission to suggest some remedy for this ?—It can only affect the price of barley inasfar as the feeding properties go. I take it if no oats had been grown in a season barley would be required for feeding purposes and the price would go up.

9806. Your suggestion of the bonus has not been in operation yet ; the farmer has not got it yet ?—No.

9807. In that case the farmer would be entirely at the good judgment of the malster ?—It must be ; there is no other way of deciding it. The amount will be paid to the farmer on whatever amount of barley is sold. We are not going to determine the price on the amount of first-class barley received but on the whole of the barley received.

9808. You say the heavy excise duty, income tax, duties and other heavy charges are such that you cannot pay a dividend. Do you mind telling the Commission what your dividends have been the last ten years ?—I would rather refer you to last year.

9809. That was a year of depression, and some firms did not pay any dividend. What has been your average dividend during the last ten years ?—It was rather high during the war and unless we had a war again we should not get such prices. That was an exceptionel time. The brewers worked day and night and Sundays as well.

9810. Say the last five years ?—I do not think we should take that as far as we are concerned. The troops were still here.

9811. What were your average dividends for the last five years ?—I do not think that can be a fair basis.

9812. I would not have brought this out, because I do not think it is fair, if you had not come here and asked for special protection on account of the excise and the duties and the income tax. You say the war was an abnormal time. We will even exclude that and give six months after the war. I will take five years from about October, 1902 to October this year. What has your dividend been ?— I have not a list of dividends with me.

9813. Has not your dividend been bigger than that of any other industrial concern in this country ?—It was during the war and the effects of the war, but it never will be again. Until the last two years I suppose our dividend was the largest in this country, but I maintain that the conditions of the country have been maintained until two years ago, since when we have not made large dividends.

9814. Still, in spite of that, you tell us you can hardly make the thing pay ?—Since that time we have had an excise imposed, and our duty doubled.

9815. You had a dividend of 12 % ?—That is so. You do not take into consideration the risks of the brewing trade—if anything goes wrong with the beer. It is the most risky trade in existence.

9816. What is the excise you are paying ?—3d. per gallon.

9817. And what for your tickey beer ?—1½d.

9818. What does the brandy farmer pay in excise ?—I am not prepared with details of the excise on brandy.

9819. I will tell you. Do you know the capital invested in the brewing industry in the Cape Colony ?— I do not know exactly.

9820. Would it be two millions ?—I suppose so.

9821. Do you know the money that has been put into the wine sticks ?—I do not.

9822. It is considered to be about fifteen millions. Do you know they pay 6s. a gallon ?—There is no comparison between the price of brandy and the price of beer.

9823. They pay 2,400 per cent. more than you are paying ?—They are much better protected on the import of brandy than we are in the case of beer, I believe.

9824. Will you be surprised to hear that you, with the excise, have been able to cut out your imported beer more effectively than the wine industry has been able to cut out its competitor ?—Our beer is equal to any in the world. Is that the same with your brandy ?

9825. If the farmer said his five-star brandy was as good as any in the world for health qualities, would you dispute it ?—No, but I should think it is not so.

9826. I would not have examined you on this, except that you ask for protection because you are over-burdened with taxation ?—That is my argument.

9827. It compares very nicely with the wine farmer. You pay an excise duty of 3d. a gallon on your best beer. What do they pay in the neighbouring Colonies ?—I believe 4d. in the Transvaal and Natal. Do you know the price of beer in comparison ? The two go together ; you cannot separate the one from the other.

9828. The duty here is 3d. and in the neighbouring Colonies 4d. ?—Yes.

9829. Are your conditions the same as in the neighbouring Colonies ?—They are not so good.

9830. Why not ?—Because the prices in the Transvaal and Natal are higher.

9831. I am asking about the conditions of brewing ?—I speak of the conditions of trade.

9832. Is your malt and barley here cheaper or dearer ?—It must be cheaper at the coast towns than inland.

9833. Your water is the same price but it is better ?—Practically the same thing.

9834. What about your labour ?—Our labour is less.

9835. What is the percentage ?—I could not tell you ; I have no figures before me.

9836. Then on the whole the conditions of production are cheaper here, according to your own statement, than in the Transvaal ?—Certainly ; they must be.

9837. Your taxation is less—your excise ?—Yes.

9838. Are the breweries in the Transvaal paying ?—As far as I know, they are. I have not their balance-sheets.

9839. On this basis can you stand a little more taxation ?—No.

9840. You say you grade your barley in your brewery. Will you tell the Commission how you grade it, supposing you get a hundred bags from a farmer ?—Yes. I think to say "classify" is better.

9841. Will you tell us how you grade ?—It is simply a matter of grading it by the maltster simply according to his judgment. It is not done by machinery.

9842. You mean to tell me you take a bag of barley, and because 75 per cent. is super-excellent barley and one-quarter is smaller grain, you throw it on one side and say it is not first class ?—I do not think you understand the situation at all.

9843. You told the Commission you graded the barley, and now you say you do not, because you classify ?—We have three classes of barley, and you can call it grading or classifying. It is classifying it as it comes in.

9844. Do you classify every bag of barley ?—Yes—first, second or third class.

9845. If there is 50 per cent. of good barley in a bag, do you say 50 per cent. is good and 50 per cent is bad ?—Do we separate the qualities in a single bag ?

9846. Yes ?—No. I speak of malting qualities, and not the size of the barley.

9847. You say your best Cape barley is equal to the best imported ?—Yes. It is equal to the best Californian barley, which is the only kind you can compare it with.

9848. What do you mean by the statement that the Cape barley has not had a fair chance ?—What I mean is this, that up till within the last two or three years there has not been a malting industry of sufficient size to absorb the barley that has been grown in the Colony.

9849. Do I understand you to say the production of barley was more than you could malt ?—Yes, I think so, in the old time when they had hand maltings. It is only during the last two or three years that there has been maltings sufficiently large to deal with more barley than can be grown in the Colony, and for the first time the farmers have a fair chance of increasing their growth of barley by four times and still finding a market.

9850. Do you know during the last two years the barley has fallen off about 33 per cent. generally in the Colony in price ?—That is not our fault ; we have been open to buy. As you say, there was an offer of 9s. 6d. We buy all we can get. I would rather put it that there has been no opening for the barley until now. For the first time in the history of the Cape Colony there are maltings which will take more barley than is grown. They must increase their growth four times to meet our demands.

9851. For the nine months ending 30th September, do you know what quantity of barley has been imported ?—I only know what we have imported ourselves.

9852. You know the quantity of barley which has been imported here has been almost equal to the quantity of malt—the malt slightly in excess of the barley ?—That has not been for malting purposes. In the nine months ending 30th September we ourselves have imported some 10,000 or 12,000 quarters, of which 6,000 would be Californian and 6,000 English, or thereabouts.

9853. What is the value ?—In giving the 12,000 quarters I am not sure.

9854. It seems here from the returns that the quantity of barley imported into the Cape is a little less than the quantity of malt imported. But at Port Elizabeth it is altogether different. There the value of the barley imported is £21 and malt £4,200 ? —There is no malting industry there at all ; they have to import all their malt.

9855. Have you tried maize here for malting purposes ?—No.

9856. What percentage of glucose do you use in your beer ?—None.

9857. Then you will have no objection to our putting a high duty on glucose ?—None whatever. What we do use is an invert sugar. It is not glucose. We use a sugar which is produced from cane sugar by a process of invertion—grape sugar or saccharum it is called.

9858. What duty do you pay on this ?—I cannot exactly tell you. *The Secretary.*] 3s. 6d. a hundred pounds, the same duty as on sugar.

9859. *Dr. Viljoen.*] Is glucose used in other countries ?—Glucose is an inferior kind of sugar. It is used in the American beers. A good firm of brewers does not use it.

9860. What you use is a superior substitute for glucose ?—It is a grape sugar—the same sugar that you get from fruit.

9861. It takes the position here in beer that glucose would take in America ?—That is fair.

9862. What percentage of that do you use in your brewery as compared with the malt ?—I do not wish to state, because our competitors would obtain the information, but a fair percentage is used.

9612A. And the duty is 3s. 6d. a hundred pounds ?—Yes.

9863. Can that stand a little more protection ?—You cannot produce it in this country and why tax it ? You have no industry here for producing invert sugar. The manufacture at home is carried on by firms on a much bigger scale than anything here, and the machinery and plant required is immense.

9864. You give evidence for Ohlsson's and also as a maltster. Is there a Trust in beer ?—No, absolute open competition.

9865. Are the prices regulated by the different firms ; have you one uniform price ?—No, but we are regulated by one another, because one cannot afford to ask a better price than the other. It is undercut, and the prices are so cut that it hardly pays.

9866. There is a tacit arrangement between you ?—No. We are controlled by the market ; we could not afford to sell at less than our competitors.

9867. Then there is no competition ?—Certainly there is. Firms would not compete and keep undercutting themselves if there was no competition.

9868. *Mr. Harlow.*] You suggest a reduction in the tariff on both barley and malt?—Yes.

9869, Will you tell us how that will be replaced in the revenue?—I have not troubled my head as to how the revenue will be produced to replace this; I have had to consider the malting industry.

9870. Will you tell us in the event of these duties being taken off in what way it will affect the consumer—the man who drinks the beer?—I do not think it would make any appreciable difference to the consumer, because when you take off 1s. in a hundred and fifty pounds it is not an amount which can appreciably affect the price of a pint of beer. You will place us in a better position, as manufacturers, to compete with the foreign article and also work our business at a profit and not a loss.

9871. Do you wish to assert that you are running your breweries at a loss?—It is getting close on it.

9872. This year you paid 12 per cent. and the other brewery paid 15 per cent.?—The Commission—as perhaps the public in general—is labouring under a wrong impression. That 12 per cent. was not paid only out of profits on beer, but also out of the rents of houses in which capital was invested many years ago. You cannot take the dividend of this company and say it was made out of beer; it was really a dividend from investments made years ago.

9873. I suppose you agree with the figures of the South African Brewery in regard to the price of ale and stout? Draught ale and stout was raised from £6 to £7 per hogshead of 54 gallons?—Our price is £6 15s.—5s. lower. That does not look like a tacit agreement.

9874. Tickey beer from £2 12s. 6d. to £3 2s. 6d.?—That is about right.

9875. The excise put on beer and stout was 3d. per gallon?—Yes.

9876. On a 54 gallon hogshead the brewery would pay 13s. 6d. What has become of the other 6s. 6d.?—The price was re-arranged after the addition of the excise, which I practically had nothing to do with, so that I cannot say on what basis they were formed.

9877. Does it cost any more to-day to brew than it did before the excise?—No.

9878. Therefore the brewer is putting 6s. 6d. into his pocket by the action of the Government in raising the excise 3d. per gallon?—I had nothing to do with the arranging of the prices. It seems to be as you state.

9879. The same thing applies to tickey beer. On a 54 gallon cask of tickey beer you charge 10s. extra, and you pay the Government out of that 6s. 9d., and you are therefore reaping a further profit on that of 3s. 3d., and still you ask for these duties to be reduced?—I ask for them to be reduced on the basis of our present working and present profits, which I know is very low. On those grounds I ask for this. I do not think you can compare now with the war time. At the present day we stand very much in need of a reduction in our duties at all events, seeing the excise is so heavy.

9880. The consumer is paying for all this and it is going into the brewer's pockets?—The prices of beers have been reduced from time to time; the tendency is for the price to come down.

9881. They are not coming down to the consumer?—I think so. I think you can get a bottle of export in Cape Town for 6d., and I do not think you could three or four years ago.

9882. But if you go to Newlands they charge you 7d.?—Is that a special house?

9883. You raised the price of tickey beer some time ago to 5d. a bottle, and the consumer would not have it?—You are speaking now of the licensed victuallers and not the brewers.

9884. I class him with the consumer, because I find out that it is as I state; you get 6s. 6d. on one and 3s. 3d. on the other, and I ask if you consider it fair to ask for a reduction of the duties, and you bring forward no suggestion to replace it in the revenue?—My answer to that is that the imposts we have at present bear heavily on the brewing industry, whatever past figures may be. I have no figures before me which would enable me to answer your question correctly.

9885. *Chairman.*] You said coal costs four times as much here as at Home?—You can get steam coal for 10s. a ton at Home and you have to pay 40s. and even 45s. here.

9886. Do you use Natal coal?—We have tried many experiments with it, but up to the present have not been able to use it. We have had a big investigation within the last six months. We are anxious to use it, but find we should have to practically scrap our boilers and introduce new boilers and fireplaces of a different type before we could use Natal coal. With the lower percentage of calorific power and the expense of new boilers it would not pay us to make the change.

9887. You said you received part of the 12 per cent. dividend on property investments. Is it not a fact that you cannot pay so much dividend because of so much money tied up in property ?—The rents of houses have fallen and our income from that source has fallen.

9888. The depression is really the cause ?—That hits us hard as far as our dividend earning capacity is concerned. As far as the actual brewing is concerned we should not be able to do it at all with the burdens we have unless for the interest on the moneys invested years ago.

9889. You think the duty on malt should be increased over the duty on barley ?—I think the duty on barley should be decreased very much.

9890. You think the duty on barley should be one price and the duty on malt should be considerably over that ?—Certainly.

9891. *Mr. Scott.*] Does your industry support any other industries—bottle-making for instance ?—Yes ; we support many other industries.

9892. Had you anything to do with the bottle factory ?—We were the people to start it. We spent £100,000 in that and it is all lost. It is in the sands at Fish Hoek. There has not been a penny saved.

9893. It would have been of benefit if it had succeeded ?—There was no protection on foreign bottles, and we could not compete with the price of the foreign bottles at that time. Another thing was we were advised by the managing director of that firm to put the glass-works on the site of the sands. His argument was that there was the sand we had to make the bottles with and there must be the glass-works. We placed the works there and afterwards found, as we should have known in the first instance, that it was a mistake—that it would have been cheaper to carry the sand into Newlands and we could have saved more on the coal. Another thing was that the men were too isolated there and would not live there. The many things combined smashed up the place.

9894. Do you think it is possible to make bottles here ?—Yes. It is a question of economy. I think there is every prospect of a bottle works paying in a place with the population to work it where you can find the sand. A Cape boy at the end of five or six weeks was as expert a bottle maker as we could get from Cognac in France.

9895. It was a misfortune ?—Yes.

9896. Do you make your beer barrels in the Colony ?—So far we have not been able to get the quality of barrel here suiting us. Eight years ago a considerable percentage of our casks were made locally, but were very inferior indeed. They split and were full of cracks, and the beer would not keep in them.

9897. Is your barrel wood imported in shooks and made up ?—We have imported most of the barrels ready made up and filled with malt ; we have found that the cheapest way. We also import in shooks. Among the industries we pay a big yearly sum for our engineering, and nearly all the printing is done here. We are giving more printing than ever before. We are also giving the box-makers a chance. We have just had a thousand boxes made, and have placed another order for five hundred, and are doing that at a slight loss, because they have not yet produced the box at an equal price to home ; but they are very fair quality. Of course we have to see how they wear, but as new boxes they look as if they would stand wear fairly well. We support industries all round. For wagon-making and that sort of thing we employ a good many men. We have our own wagon-making works. We buy all the materials for the wagon-making in this country. We import very much less than we did.

9898. *Mr. Pyott.*] You gave the price of English barley at 50s. a quarter ?—That is a price quoted from an actual shipment. That is the price f.o.r. Newlands. If you divide that into three bags it brings it to 17s. a bag.

9899. How do you divide it into three ?—A Cape bag weighs 150 lbs.—three bushels of 50 lbs. each.

Anders Ohlsson, Managing Director, Ohlssons Cape Breweries, Ltd., examined.

9900. *Chairman.*] Do you wish to make an additional statement ?—Mr. Meecham gave evidence the other day, and he said he only gave evidence as far as barley and malt went ; but the commercial side of the business he does not understand. I understand he said we had raised the price of the beer on account of the excise a great deal more than the amount of the excise, and that we made enormous profits and paid big dividends. I can answer those questions.

9901. I think the explanation given of the big profits was of dividends from investments in other ways ?—The big profits we made were abnormal, and were only during the war-time. We all did well then during that unfortunate war, which should never have taken place, and now we pay the penalty. Since the war the trade has fallen off, and we have not the same revenue or the same output as we had then. The profits have fallen off so much that last year—of which I have my balance sheet here—we had to fall back on the reserve fund to pay a dividend ; otherwise we should have had a loss. We took £80,000 out of the reserve fund to write off bad debts and pay a dividend of 10 per cent., and if it had not been for landed properties which we bought up here when properties were cheap we would have worked at a big loss. The beer industry to-day, with the profits we make, is not sufficient to pay working expenses if you take into consideration the heavy taxation that has been put on us. In the first instance you have raised the duty on malt and barley, of which we have to import a certain amount, 100 per cent. We pay a company tax. We pay an income tax, which has again been raised this year, in addition to which we pay an income tax in England. Then we have had an excise levied upon us. There is nothing but taxation.

9902. You do not suggest any alterations in the tariff?—I think the alterations should be that the raw materials from which we brew should come in free. In the last Customs Tariff the duty was taken off hops, which is the only thing we got, but against that they raised the duty on the imported barley and on malt 100 per cent. We have done every mortal thing any human being could do to try to encourage the farmers to grow malting barley. I have given special prizes. At the Worcester Show I gave about £100 in prizes for the best brewing barley. I imported the best assorted seed, costing up to £10 a bag, which I gave to them to sow, but they do not get good crops every year, and in the best of years we only get a very small proportion of malting barley. The barley that is grown round here is utterly unfit for malting. It is not fat enough, it does not germinate and it is too dark in colour. The only districts it comes from are Worcester, Robertson and Montagu districts, and they are only limited.

9903. We have had evidence that they are growing a lot of this barley now. They want the duty increased?—If you increase it they will not sell any more barley to us. We are only too glad to buy Colonial barley. The maltings cost us over £100,000. They are the most modern malting in the world; there is nothing in the United Kingdom to beat them.

9904. The farmers want malted barley to bear a higher duty than the ordinary barley?—The barley that the farmers have I cannot use. If they can produce barley suitable for malting purposes I shall be only too glad to use it, because we have these big maltings idle as we cannot get the barley. I get some from those districts. A distinction should be made in the case of certain malting barley which we have to get from England—English barley, which they cannot grow here.

9905. *Dr. Viljoen.*] We have evidence here from Worcester. The farmers in very good positions there and trustworthy men state they are producing a large quantity this year, and that last year you were paying 9s. 6d. for barley there?—I paid 10s. to 10s. 6d.

9906. That last year, on account of the wet season the barley was inferior to this year. This is absolutely what the evidence was. This year you are only offering 8s. and 8s. 6d.?—We give more than that.

9907. And that you are buying the barley in limited quantities—that you are not buying all the barley fit for malting purposes—and their grievance is, rightly or wrongly, that because the duty is the same on the barley as on the malted barley and you only get 332 lbs. of malt from 480 lbs. of barley, you prefer to import the malt?—We have to import a certain amount; we cannot make all classes of beer from the barley grown here.

9908. I am giving you exactly the position of the case as it was put to us. Because you can get the malt in a more concentrated form at the same duty it is a natural inducement for you to import the malt?—It is not. I will give you a reason.

9909. That barley is grown in the Graaff-Reinet district suitable for malting purposes, but they could not bring it down here. I am glad to hear we have produced 400 bags of barley in the Caledon district which is thought to be fit for malting purposes, and I believe you are negotiating now with the grower?—Whoever gave that statement that we buy a limited quantity I can positively say is telling an untruth; I will tell that man so to his face. We can never buy enough. We buy all we can. There is a man in the Worcester district—one is a Member of the Lower House. They are acting as their agents and trying to secure what they can and say they can get no more. One year I got 10,000 bags, but the average quantity I get each year is only 3,000 to 4,000 bags. When they say I only buy a limited quantity it is not so. I am prepared to buy 20,000 bags in the Worcester District and guarantee 10s. a bag if it is good and to give the bags in. I have never given less, and my books will prove it. With regard to the statement that it would suit me better to import malt, it will not suit me to do so, because imported malt gets slack—certain moisture gets into it—and it is not as good as malt made on the spot, There must not be moisture in the malt; if there is it gives acidity, and the beer may turn sour. Would I have invested £100,000 in maltings here if it suited me best to import malt? I think that is the best answer I can give the Commission. There is the building empty. We do everything we can to get Colonial barley and cannot get it. Some years they want to sell barley which is only fit for feeding purposes and is not suited for malting. I have done everything possible to protect Colonial industry, but it is little inducement to put so much money in an industry like this and to be handicapped by taxation, and being chopped and changed so that you do not know where you are from day to day.

9910. Hops are free ?—Yes, but when they made them free they increased the duty on malt and barley from 1s. to 2s.

9911. You know the duty that was put on barley was not intended as against the brewer. It was only levelling up the whole thing, the same as was done with the other cereals ?—I do not say it was intended against us, but it affects us. If it goes on like this that industry is next door to killed and we cannot continue it on that basis. We pay heavy licences and the Government get big revenue, and we employ hundreds of men. At one time we had 800 men. I suppose I pay in wages in Cape Town £10,000 to £15,000.

9912. What is your idea in regard to the duty on the imporred beer ?—I do not think it will affect us much, because we make better beer than the imported.

9913. Is much imported beer drunk here ?—Not much. The German beer is imported up country.

9914. Is the price more than yours ?—Perhaps a little more, but up country we cannot compete against it, because they import to the nearest ports—say Port Elizabeth and East London—and they pay no duty on malt in Germany and have bottles, etc., cheaply.

9915. Would you suggest any additional protective duty on imported beer ?—I will not say that. It will make very little difference to us.

9916. You mean people would drink the German beer in any case ?—We make as good beer.

9917. That is the point I am coming to. We have it that your beer is as good as, if not better than, German beer. If the man prefers to drink German beer because it comes from his own country should he not be penalised a little, because it is a luxury to him ?—I think it could stand another 6d. a gallon. But that will not help us out of the difficulty. I have done everything to encourage Colonial industries and have asked no one to help me, and I have built up this industry, and now we have this additional taxation on top of us in bad times. What the farmer cannot produce and what barley we want can be declared, and it can be checked that it is not being used for any other purpose than malting. That would be English barley.

9918. About 50 percent. of the barley used is English barley, and the rest is of the Oregon or Californian type ?—Yes. I hope we shall avoid Californian barley ; I should prefer to buy the Colonial barley.

9919. We understand the Colonial barley is of the Oregon or Californian type ?—Yes. We can grow it here. If you buy Oregon barley it is more uniform, and here you get different qualities. It is perhaps not quite as good here, but still we can do with the Colonial barley. I have no doubt they could grew it in the Caledon district, but in Graaff-Reinet the railway carriage kills it. All the barley grown in the Karoo soils is good.

9920. You have no hopes of the barley grown in the rainy belt being suitable for your requirements ?—No ; it will not answer. It is not rich enough, and it is dark in colour and does not germinate, and supposing you take a handful of barley and find some of the barleys will not germinate that will give acidity to the other barley and it will not be fit for malting. Unless you get it all uniform it is utterly useless and will spoil the malt.

9921. Another point has been brought up by the gentleman who gave evidence—that you use a lot of glucose. We asked your manager, and he calls it by another name, invert sugar or saccharum ?—Yes, it is so, it is not glucose. You pay a high duty on that. A certain quantity has to be used in the beer, but it is not glucose ; it is invert sugar. There are special factories in England for making it, and we import it. There was another question. There was a statement that when the excise was put on we charged a great addition on the price. That is not so. We do not get the excise back altogether. Take beer sold in Cape Town principally—light beer, generally known as " tickey " beer. The excise on that is 1½d. per gallon. Take 54 gallons to a hogshead, which is equal to 6s. 9d. a hogshead. We sell that at 32s. 6d. If we take off the discount of 10 per cent., and allowing for wastage and one thing and other, we do not get all the excise back. We make no extra profit on it. Take the other beers—the stronger beers. We pay 3d. a gallon, which makes the excise from 13s. 6d. up to 17s., according to strength. We raised it to £1, but only in a few instances do we get it back, as the margin does not cover business losses on returned beer, etc. We do not get back all the excise on the present price.

9922. Your contention is you do not make a profit on the excise ?—No ; we lose on it.

9923. We had a statement slightly different to that?—If you take the average of beer sent up-country to places like Kimberley and Bloemfontein, and the military at Middelburg—which has to be sold cheaper on account of the railway carriage—we do not get the excise back at all. Here, in Cape Town, we get nearly all the excise back Then, moreover, if we make bad debts anywhere we lose the excise on such losses.

9924. You mean the Government looks to you for the excise and if you lose it you have to make that up?—Yes. We do not nearly get the excise back.

9925. A statement was made here that you make a profit on the excise?—We do not. That is the reason I wish to give evidence. Those are points which my head brewer did not know.

9926. *Mr. Harlow.*] You say you pay a discount on your sales?—Yes, of 10 per cent.

9927. Did you pay that before the excise was put on?—Yes.

9928. We have it here from a brewery that draught ale and stout has been raised from £6 to £7 per hogshead of 54 gallons?—It has not. I wish we could get it. We do not get it. Draught ale is only sold in bottles, and we put a price down at the time. We are selling draught ale as low as £3 15s. a hogshead.

9929. Bottled ale and stout from 5s. 6d. to 6s. 6d. per dozen quarts?—I daresay that is correct. I might explain that. The breakage in stoppered bottles costs about twice as much as other bottles.

9930. You had these bottles before the excise?—Not the stoppered bottles.

9931. But you use them for your own benefit?—No; we do it because the public want it. We had even to use stoppered bottles in many instances to tickey beer.

9932. They do not object to buying your beer in a corked bottle?—Yes. The stoppered bottle unables them to take some of the beer from the bottle and re-stopper it.

9933. Do not the publicans bottle it?—Yes.

9934. They do not use stoppered bottles?—They do not bottle the best class of beer; they only bottle the tickey beer.

9935. It is in corked bottles?—Mostly, but a good deal is used in stoppered bottles. The bottle stores take it in stoppered bottles.

9936. The bottled ale and stout is also in corked bottles. That was raised 6d. a gallon on account of the excise?—Yes, but we are selling it for less now than before the excise. We are selling it to the Military up-country for £3 15s. In Kimberley there is a big trade. We do not get half the excise back there.

9937. These figures prove you have raised the price double the amount of the excise?—You can see the books. We are selling beer up-country now for less than before the excise. We only get £4 a hogshead for beer sent to Bloemfontein.

9938. The Castle Brewery gave this evidence?—If you go into the facts you will find they charge the same as we do.

9939. These are their own figures?—In Cape Town?

9940. Yes?—But we send beer up-country to compete against the trade up there, and are invoicing it at a price on which we lose the excise, and that I can prove by my books. I have nothing to do with the Castle Brewery's evidence; I give my own evidence. We do not get the excise back for any up-country trade.

9941. You say you send your beer to Bloemfontein?—Yes.

9942. Have you any breweries besides these locally?—No, only here, but I have depots with machinery and plant, and big establishments keeping a lot of men and bottling stores and engines.

9943. You have a brewery in Johannesburg?—Yes.

9944. Can you not send your beer cheaper from there to Bloemfontein than from Cape Town?—No. We brew a different class of beer to what they brew in Johannesburg. Another thing is in Johannesburg—the production of beer, owing to the distance from the sea, is more costly than here, so it virtually comes to the same.

9945. *Mr. Tod.*] You possess the only malting plant in Cape Colony?—The only one in the whole of South Africa I think I can say.

9946. Can you tell the Commission what regulates the price of Colonial malt and barley?—The seasons of the year. Some years they have better seasons than others.

9947. Nothing to do with the price of the imported?—I do not think so. I do not think they can import barley to compete against Colonial barley. Most of the barley grown here is for feeding purposes.

9948. You are the only people in a position to buy malting barley?—Yes.

9949. So you have them practically at your mercy?—No. I assure you we give them as much for it as we import for.

9950. It is entirely dependent on your good will?—My policy is to encourage them to grow it. I have agents out in all directions to encourage barley growing.

9951. If you get the duty off imported barley it will be a further inducement for you to encourage the Colonial growth?—I have tried for the last twenty years to encourage it, because it is to my interests.

9952. With the duty off you will try even harder to get the Colonial ?—I am always anxious to.

9953. The price of the imported has nothing to do with the price of the Colonial ? —No. Take the big farmers in the West. I always give them the market value.

9954. How do you arrive at the market value ?—I give them as much as I can.

9955. Compared with the imported barley ?—Yes. I have to buy big quantities of barley when I import, and it suits me to get it in smaller quantities here as I require it.

9956. You said just now you arrived at this market value of the Colonial barley as against the imported barley ?—No ; I speak of barley generally.

9957. If they have a big crop you think they can do with a less price ?—I always give them as much as I can. I will buy in advance year to year and take it regularly. I do not bother about the market value ; if it is lower I still give the same price.

9958. Is it cheaper to buy the Colonial ?—The imported is a little higher perhaps, but it is more uniform. The barley is classified—first, second and third qualities brewing barley—over there and it is shipped to England in hundreds and thousands of tons. They guarantee to deliver a certain quality and clean. Buying from the farmers here, and comparing the averages, it does not come up to the imported.

9959. Supposing, for the sake of argument, you can land first-class imported barley here at 5s. a bag, how much would you buy Colonial barley for ?—But would that ever occur ?

9960. What is true in that way will be in a less degree. You must admit that the price of the imported has a big effect on the price you give for the Colonial ?—It would not have the slightest, because the barley grown here is so little that we always pay the highest market value ; we always buy at the same price.

9961. You would not give 9s. for Colonial if you could buy imported at 5s. ?—But is it likely ?

9962. But if you could get the imported of equal quality for 8s. 6d. ?—I would still support the Colonial production. The Worcester farmers do not ask me the price. They send so many bags, and then come for settlement, and ask what price they will get. There is never any dispute.

9963. I want to get from you what influence the taking off of the duty on imported barley would have on the price of the Colonial ?—Not the slightest ; it will not affect the Colonial barley at all.

9964. I do not see how you arrive at that ?—It is so.

9965. *Mr. Pyott.*] You have not said what you would like the duty on imported barley to be. Are you prepared to pay the present day duty ?—No, but I have to.

9966. What is your suggestion ?—I think some consideration should be given where so much money has been sunk in a Colonial industry and it is not a paying one. We should have the raw materials duty free, or at any rate reduce the duty from 2s. to 1s., as it used to be. I think the English barley, which cannot be grown here and must be imported, should come in duty free.

9967. That is the English barley ?—Yes.

9968. What do you propose to pay on Californian barley ?—That should be reduced to 1s.

9969. What would you make the duty on malt ?—I would reduce the malt to what it was before—1s. I do not think it was intended that that should be raised against the brewing industry.

9970. Are you, with a capital of £100,000 sunk in a malting plant, prepared to allow the other malt to come in at so low a rate of duty for your competitors ?—It will be the same for them.

9971. Would you not be working at a disadvantage if malt was the same duty as barley, because you lose some of the barley in malting ?—No.

9972. You would have no differentiation between imported barley and malt ?—No.

9973. You are paying 10s. a bag for Colonial barley now ?—10s. to 10s. 6d., and even 11s. for exceptionally good heavy barley. The average price is about 10s. They get the bags from us, so it is really more than 10s. We send new bags, and we pay the carriage from Worcester to here.

9974. If it is a fair question, what is the price of Californian barley ?—That varies. It would be about 12s. to 13s. here, including duty and everything—landed at the maltings.

9975. Is this quality for quality ?—As I said, the quality of the Californian is more uniform.

9976. Cannot you get a barley in South Africa equal to what you can import ?—Yes, we get just as good barley, but it is not so uniform. The Californian is the same weight, quality and colour, but here it is not.

9977. Take the finest quality Colonial barley. Is it equal to what you import from California ?—Yes.

9978. What price would you pay for that ?—I would go up to 12s.

9979. Would not you go as far as it costs you to import ?—I have imported it for 12s. If I were giving up to 12s., there would be no difference. It would come to the same thing, because the Californian barley is more uniform. You give one farmer here 12s., and the next man thinks his sample is as good. We must give an average price. Next year he may have a better crop.

9980. I understand you are giving a bonus of 3d. a bag to those producing the best barley ?—Yes, we have done.

9981. We understood from your man that you give a bonus ?—We also give prizes. It is not a regular thing, but we have done.

9982. You sell beer in Kimberley at £3 15s. per hogshead ?—A little more, but that is the price to the Military.

9983. What is your price in Cape Town to-day for a hogshead ?—We sell none in hogsheads.

9984. £3 15s. in Kimberley is no comparison ?—It is, because we used to get £5 before the excise.

9985. Your point is, you have to sell cheaper there because of the competition of beer coming *via* Port Elizabeth and East London ?—Yes, and they send beer from Johannesburg to Kimberley.

9986. *Chairman.*] It is rather difficult for the Commission to come to a satisfactory explanation of things. The man you sent said you ought to pay a bigger duty on malted barley than on barley, and you say it must be the same. With contradictions of that sort from the same firm, what must we do ?—He says what he thinks. He gives his version, but he is not the business man.

9987. I asked him particularly. I said, "Should malted barley pay a bigger duty than barley itself ?" and he said, "Yes." Other brewers cannot purchase barley for malting purposes ; that is the point ?—Why not put up maltings ? I put them up to encourage the industry, and the reward for that is that legislation crushes it. I do not see how it is possible you can raise the duty on malt. I say if there is to be a reduction on anything rather reduce the barley than the malt and leave the malt as it is.

9988. We may take your evidence that malted barley should pay more than barley ?—I think so, to encourage the industry.

9989. You raise the question of competition. It is not the tariff that is preventing your breweries from paying, but the competition at present between the different brewers ?—There is competition in every trade.

9990. Is not that the cause of not paying a dividend ? It is not the result of the tariff ?—It is the bad time and the taxation. We do not do a third of the trade we used to do.

9991. Johannesburg pay a duty of 3d. a gallon on all beer coming into this Colony ?—Quite so.

9992. That protects you does it not ?—But they have a much shorter railway carriage. I have a business there too, and I know what they are doing. The distance from Kimberley to Johannesburg is shorter. Then there are certain beers which they do not brew there and which the Kimberly people want and I brew.

9993. Do you think there is any danger of a combine amongst the brewers in South Africa and trying to squeeze out the present small breweries and controlling the market ?—There are not many brewers in South Afrlca, and there is not the slightest chance ; the capital is too big.

9994. Would you be in favour of a clause in the Customs Tariff enabling the Customs Union to go into the question of taking off the duties supposing there was a combine of that sort ?—I do not see how the Customs Union could very well interfere with that ; that would be interfering with private enterprise.

9995. We have that power in some countries ?—They are trying to get it in America, but there is not the slightest fear of a combination here like that.

9996. If there is not the slightest fear of anything of the sort you would not object to that clause being in the Customs Convention ?—I cannot decide. It is for them to decide.

9997. *Mr. Harlow.*] Supposing this duty is taken off barley, what effect is that going to have on the man who drinks the beer ? Will it reduce the price ?—I do not think so.

9998. You will put the extra 1s. a bag into your pocket ?—If you do not do something of the kind there will be no pockets at all. As it is we do not make any profit. The industry has been so heavily handicapped by taxation in the last few years that it is impossible for the industry to continue. We only ask to be relieved—to have certain consideration for the money we have put into one of the biggest industries in this country.

9999. You would deprive the revenue of 1s. a bag and the consumer would not receive any benefit ?—How much less would a glass of beer be on that ? If I reduced it it would go to the middleman. It is only to get back something of what we have been saddled with in the last few years.

Building Trades, embracing Carpentry and Joinery, Glass Embossing and Bevelling, Leaded Lights, Lead Pipes, Shopfitting and Stone Cutting.

George Sheen Withinshaw, of G. S. Withinshaw & Co., Timber and Hardware Merchants, *John Zeal Drake*, *and Andrew Burnett Reid*, of A. B. Reid & Co., Builders and Contractors, examined.

10000. *Chairman.*] Mr. Withinshaw, you wish to give evidence on the timber trade ?—*Mr. Withinshaw.*] Yes.

10001. Do you wish to make any additional statement ?—I put in a statement. I do not need to amplify it ; it puts briefly what I wish to bring forward.

The statement contained the following recommendations for increased protection :—

Wood, Rough	3	per cent.
Flooring and Ceiling Boards	15	„
Windows, all descriptions	25	„
Doors, with minimum of 3s., 4s. and 5s.	25	„
Mouldings, etc.	25	„
Casements	25	„
Shop and Office Fittings	25	„
Church and School Furniture	25	„
All Joinery not otherwise specified	25	„
Iron and Steel Work	12½	„
With a preference for British Manufacture of	5	„

10002. *Mr. Kayser.*] You state here that the number of men in your employ has decreased very materially ?—Yes.

10003. To what do you attribute that ?—I attribute it largely to the depression in trade, but at the same time large quantities of joinery are still being imported which could be manufactured here.

10004. When you employed this larger quantity of men the joinery was still being imported to some extent, was it not ?—Yes.

10005. Practically, this reduction is owing to the depression in trade ?—Largely.

10006. The imports to-day are also lower ?—Quite so.

10007. You say you mainly manufacture special joinery, mouldings, etc. Which of those articles does the present duty specially affect ; in other words, in regard to which of these articles are you suffering most to-day ?—We suffer in joinery, such as ordinary windows and doors and stock mouldings. We ourselves manufacture the whole except doors. We manufacture all the windows we dispose of and all the mouldings we dispose of, but are unable to manufacture for the wholesale dealer.

10008. And the doors ?—We import the doors partly, and manufacture such as are required specially.

10009. Only when it is a special design or some special quality ?—Yes.

10010. As far as the windows and mouldings are concerned, you are in a position to manufacture them as far as your own trade is concerned ?—Yes.

10011. And so far as the ordinary buildings are concerned—the contracts you accept ?—We do not accept contracts. I am a timber merchant and manufacturer of joinery.

10012. As far as your own trade is concerned, you have been able to do without importing, except for doors ?—Yes.

10013. You say the Colonial joinery is better than the imported and more suitable for the Colony. Do you get a better price for it ?—Not always.

10014. You can manufacture to compete ?—I can land to-day windows and mouldings at a less price than I can manufacture them, but we have been in the habit of manufacturing all our windows and mouldings, notwithstanding that I can land them at a less price.

10015. Your quality is superior ?—Yes, but we have to compete with the imported at the same price.

10016. Up to the present you have been able to do so ?—We have done so.

10017. Do you manufacture mostly from imported timber ?—Mainly.

10018. Do you use any colonial timber ?—Very little.

10019. Do you mind telling the Commission what class of Colonial timber you use ?—The only Colonial timber we use is for wagon wood and that kind of thing—the Knysna woods.

10020. Stinkwood, White Pear, etc. ?—Yes.

10021. Practically for all purposes you must import your timber ?—Yes.

10022. You are a large importer. Will you tell us just what protection the Colonial manufacturer has as applied to the rough material and the importing of timber ? The duty on your rough material is 3 per cent., because the bulk of it comes from a foreign country ?—Yes.

10023. So you have a protection on the manufactured article of what ?—Apparently it is 12 per cent., but that does not work out in real practice.

10024. Anyway, in the duty you have a preference of 12 per cent. ?—Yes.

10025. Do you have any advantage in the freight ?—No ; we have disadvantages in the freight.

10026. Will you tell us how ?—In the case of flooring boards, say, there is a disadvantage of one-sixth.

10027. Because ?—Because the planed boards measure so much less than the rough boards.

10028. And they are imported at the same rate of freight ?—Yes.

10029. Does that apply to other articles ?—Of course from America mouldings are carried at the same rate as rough timber. From Sweden the rate is a little higher.

10030. Will you tell us how much higher ?—I have no recent quotations for that.

10031. You do not know the difference in the rate of freight ?—Not from Sweden. I do from America.

10032. Is not the freight on rough timber 65s. a standard ?—A vessel at present is charging 60s. a standard, and had I wished I could have put in joinery at the same price.

10033. That is a sailing vessel which you must have chartered yourself ?—Yes.

10034. But in the ordinary way ?—I do not know the steamer rate.

10035. The rate, as a matter of fact, is 90s.—in fact 95s. to the other ports—as against 65s., so that you have a protection there in mouldings, windows and so on by steamer ?—I would not say absolutely, for the simple reason that the manufactured timber measures so much less.

10036. Would the manufactured window measure less than the wood required to make that window ?—I do not think it would measure any more. When you come to consider the waste, while the sash would apparently measure more the frame would be solid.

10037. The sash is sent out set up ?—Yes, but then you must remember the timber measures less, having been planed.

10038. Have you gone into the question as to the measurements or are you speaking from memory ?—From memory, except in regard to flooring boards.

10039. On that your statement is perfectly correct ?—As I say, for some years we have not imported mouldings and we have not imported windows, and therefore I have not troubled my head about the freight.

10040. You say you do not think there is much. I ask whether you have gone into the matter ?—Not recently.

10041. Then it is no good my giving you particulars of the difference which exists ?—No.

10042. There is a large difference, as a matter of fact, and if you do not think there is such a difference you are at perfect liberty to give us information later on by letter. I have asked the question to show, from the point of view of the country, that you have protection. Now with regard to your suggestions regarding duty, of course ceiling and flooring boards on the present tariff did come in as a rated article—all at the same duty ?—Yes, but that was only 10 per cent.

10043. You contend that ceiling and flooring should pay the same duty as planed boards ?—Yes. Take a standard of flooring boards, which allows about 29d. for manufacturing, presuming there is 15 per cent. put on.

10044. A standard of wood measures 165 cubic feet. What would the flooring measure for freight ?—139 cubic feet.

10045. So you would have a difference of 26 feet ?—Yes.

10046. What would that amount to ?—9s. 6d.

10047. What could the planing be done for here ?—I reckon it can be done at about 1s. per hundred feet.

10048. So, in your opinion, with the protection of 12 per cent. ceiling and flooring could be manufactured here ?—With the additional protection of 12 per cent.

10049. Over and above the rough timber at 3 per cent ?—In the last item of my statement I mention that we are importing our shelving rough and planing it here. The present tariff has enabled us to do that.

10050. That is an actual fact to-day ?—Yes. Under the previous tariff it was the same for planed or unplaned. With the extra tariff on the planed to-day, we are now importing our shelving rough and planing it.

10051. With regard to the last item, mouldings, windows, floors and joinery, what difference would that make in the price of mouldings, windows and doors in this country—the additional duty you now propose ?—What difference to the consumer ?

10052. Yes ?—It would not make a very large amount because, as I say, I think if we were able to fill up our time more, and could manufacture more largely, we should be able to compete.

10053. You have already pointed out that you cannot manufacture doors ?—Not under the present tariff.

10054. Therefore, any additional tariff is an additional price ?—At first, yes.

10055. Can you tell us about what it would be ?—About 1s. on the cheaper doors.

10056. Have you followed the reports of the Commission in other centres ?—No, except in isolated cases.

10057. Have you noticed that in some of the other centres they have been asking for a special rated duty on doors of so much each ?—Yes, I have noticed that.

10058. You are not in agreement with that ?—Naturally, as a manufacturer, I would wish for it, but I do not think it is policy ; the simpler we can make the tariff the better.

10059. You think that would be rather too much of a tax on the consumer ?—I do.

10060. You have stated, of course, that in asking for these increased duties it is with the object of increasing the manufacturing business in the country, and you have also said in reply to my question regarding the price that in time you do not think it would make any difference to the price ?—Yes.

10061. The assumption being, of course, that as you gradually manufactured the goods you would be able to make them cheaper ?—Yes.

10062. If in time to come the protective duty were altogether removed, would the industry be able to continue ?—I cannot speak of ten years hence.

10063. It is one of the terms of our reference as to whether these industries could, by protection, become so permanently established that even if the Customs Tariff were subsequently removed they would be able to continue ?—My experience during the years we have been manufacturing has been that the more we have to manufacture the less cost we can do it at, and basing our future on past experience, I have no hesitation in saying that in the course of time the cost of manufacture to the manufacturer would be reduced, but whether it would be reduced sufficiently to do entirely without any Customs protection I am unable to say.

10064. The same argument would apply, would it not, to the larger quantity you import ?—I do not think so.

10065. You do not think you could import a larger quantity at a better price than the smaller ?—Not much. I find myself in the case of doors and windows there is a tariff, and if I get what is called a carload I can get it at the same price as for ten carloads.

10066. But less than a carload ?—An importer does not take small quantities.

10067. Then the larger the quantity the cheaper the price ?—Only within limits.

10068. Could not you charter a larger vessel at a lower rate than a smaller one ? —Not more than one or two per cent. lower.

10069. If the imposition of this tariff which you suggest resulted in the manufacture to a large extent of all the requirements in this country, what effect would that have on the revenue of the Colony ?—I think it would improve the revenue of the Colony. Of course it would decrease the amount of duty on these particular things, but the number of people who would have to be in the Colony to manufacture these things would ensure larger revenue from other sources. Take windows alone. The actual amount paid to the artisan in wages for manufacturing a window is from 30 per cent. to 35 per cent. of the selling price of the window.

10070. Do you think you are going to get a reduction in the rate of wages paid to the artisan ?—No. I do not ask for it.

10071. So that percentage will still continue ?—The percentage would not continue. I do not anticipate a less rate of wages. I mean by men being more highly trained and being able to make better use of the machinery, and having special machinery, the cost of the manufactured article would be less to the manufacturer.

10072. Your price would be reduced, of course, as you improved your machinery ? —The selling price would be reduced undoubtedly.

10073. So the percentage of labour would probably remain the same ?—Yes.

10074. You say you consider the revenue will be continued. In what way do you suggest the revenue of the country will be continued? What revenue do you mean—the revenue on the raw article?—I maintain that every artisan in the country contributes to the revenue, and if you have a thousand men each contributing 5s. I take it another thousand men will contribute a similar amount.

10075. In what way would they contribute?—The same as at present.

10076. To-day they contribute indirectly through the Customs Tariff?—They would still do it on some articles. I do not think it is proposed to reduce the duty on hardware, for instance, and I take it an increase in the industrial population would mean their wanting more hardware.

10077. You will be surprised to hear we have had requests to reduce on the hardware used for manufacturing purposes; in fact every manufacturer of tin is asking for the hardware he used to be imported free of duty?—I am not surprised at that.

10078. If that were done the duty would be reduced on hardware even?—I feel certain there is a large amount of hardware in regard to which you have had no application for reduction of duty.

10079. Do you derive much benefit by the preferential railway rate of South African manufactures?—My business is largely local.

10080. Therefore you do not derive any benefit?—Not much.

10081. You would have no objection to the preferential rates being removed?—I do not express any opinion on that.

10082. It would not affect you?—It would to a slight extent. Our business is mainly local, and therefore it would not affect us in the same way as some of the other town firms, but at the same time if we had a larger output of course we should have to seek further markets, and then I would prefer to have the preferential rates retained.

10083. You approve of the preferential tariff?—I think Colonial manufactures should be carried at a less rate than the imported article.

10084. Notwithstanding the protection of the Customs?—Yes, to a moderate extent.

10085. What do you mean by a moderate extent?—To the present extent.

10086. Do you know what it is?—I do not know exactly: I have not the figures with me.

10087. What percentage would you consider a moderate tariff?—I use it very little, and it would be guesswork to give you figures.

10088. You think the South African manufacturer should be protected on the railway to a moderate extent?—I maintain that as the farmer is protected in regard to his produce on the railways so should the manufacturer be protected. I should say to the extent that it is at present.

10089. Is 20 per cent. a moderate extent?—I would not say.

10090. The present extent is 20 per cent. You think that should remain?—Yes.

10091. *Dr. Viljoen.*] You are in favour of the principle of preferences being given on the railways on Colonial products whether in the form of raw agricultural products or industrial products?—Yes.

10092. *Mr. Kayser.*] What percentage does the freight bear on the raw material which you have been importing to the cost? Have you worked it out?—The freight on Swedish deals is about one-third of the first cost.

10093. On that basis what do you make the first cost?—The first cost is about £9 per standard.

10094. On that basis the freight of 60s. is about a third?—Yes.

10095. As far as the other goods are concerned—joinery and windows—you cannot give what percentage the freight bears to the value of the article?—No.

10096. *Mr. Harlow.*] Do you confine yourself in your manufacturing to manufacturing for the building trade only?—For sale to private individuals and builders. In the country a number of private individuals erect houses for themselves, and we supply them or the builder.

10097. You do not go in for any other style of manufacture besides building goods—say boxes?—We do not go in for fruit boxes.

10098. You are asking for another 12 per cent. on flooring and ceiling and planed boards?—On flooring and ceiling, yes. We have the 12 per cent. on planed boards, and that enables us to manufacture them.

10099. Do you think you could compete with the oversea people in flooring and ceiling with the duty of 12 per cent.?—Yes.

10100. What would be the extent of the mechanics employed on that?—The cost of labour on the selling price of the article would be 18 per cent.

10101. It would naturally raise the cost to the consumer to a slight extent?—Yes, very slightly—about one-fourteenth of a penny per foot on flooring.

10102. Perhaps 10s. or 12s. in the case of erecting a house, I take it?—Not so much as that on the flooring alone, but of course conjointly with the other duties it would be.

10103. As a matter of fact, the duties you suggest now would raise the cost of a house so infinitesimally that it would be scarcely noticed ?—Yes, that is so.

10104. You have the machinery to do that work now, I take it ?—Yes.

10105. In reference to the present tariff, are you satisfied with the present rates for machinery and so forth ?—Yes.

10106. Do you not think there is a slight injustice to the working-man in that tariff ?—In regard to machinery ?

10107. Yes, and workmen's tools ?—Of course it is an undoubted fact that machine tools come in free and workmen have to pay 10 per cent. or 15 per cent. on the tariff.

10108. Do you not think it is a slight injustice to the working man ? He is about the only one who has to pay for his tools coming into the country ?—That is quite so.

10109. The farmer gets his implements free and the manufacturer his, and the workman must pay for his ? —Yes.

10110. You say you usually used to turn out one apprentice per year ?--Yes.

10111. White apprentices ?—White or slightly coloured in some cases. Of course, as you know, in this district there is a large number of people calling themselves white who have a slight tinge of colour. They are Colonial boys. They take their place to-day amongst white workmen.

10112. And are paid the same wages ?—Yes.

10113. I suppose you endorse the Master Builders Association's recommendations ?—I have not seen them.

10114. You do not belong to that association ?—No.

10115. *Mr. Tod.*] If you get the tariff of 25 per cent. do you think you would be able to manufacture the 1¼ and 1⅛ doors in this Colony ?—I think so.

10116. You do not agree with the other evidence asking for special duties of 3s. to 4s. 6d. on each door ?—Of course very naturally, as a manufacturer, I would like to get as much as possible, but I think while the 25 per cent. might not keep out the very cheapest class of door it would enable us to manufacture a large proportion of the doors which are at present being imported.

10117. I want to refer to the preferential railway rates. I do not think you quite grasp the bearing of this. You do not want to put the joiner at Kimberley at a disadvantage as compared with yourself ? You do not want any artificial help as against the joiner in Kimberley ?—No.

10118. At present the joiner in Kimberley has to pay one rate for his rough timber. You can send up the manufactured article for 20 per cent. less than he can get his material. Do you think that is fair on the joiner in Kimberley ?—Not from his point of view.

10119. Is it fair and square treatment ? How can he compete against you seeing that you can put the manufactured article into Kimberley at 20 per cent. less carriage than he has to pay on his timber ? And then the rough timber will weigh more than the finished article, so it is perhaps more than 20 per cent. You know there is a considerable agitation against this preferential railway rate, and that agitation is from our own people in the Colony, and no doubt from the neighbouring States. Do you not think it is only fair that any protection afforded the manufacturer in this country should be given through the Customs and the Customs only ?—I maintain that if the farmer in the Western Province has protection for his products in regard to carriage so the manufacturer should have it, but I say make it so all round.

10120. I want to get at the principle ?—I consider I, as a manufacturer and employer of labour, am fulfilling the same economic good to the country as the farmer adjoining me.

10121. Your argument is—although it seems bad in principle—that if one section of the community get it you want it ?—Yes.

10122. *Mr. Pyott.*] You say you are in a position to—say to compete generally in the manufacture of joinery ?—Yes.

10123. You say you need protection to compete against the imported goods of the merchant ?—Yes.

10124. That means you cannot give the merchant a margin to sell your goods ?—Yes. I consider the cost of manufacture is fully as much to me, if not more than the merchants can import them for—the actual cost at his place. Therefore I have a slightly less profit on the goods I manufacture than the merchant importing.

10125. You are not quite in a position to supply him with the material he is importing ?—I am not in a position to do that.

10126. From the point of price ?—Yes. I cannot sell to the merchant at the imported price.

10127. Still, you can go into the open market and compete against him with his imported goods?—Yes.

10128. Do you find any difficulty in getting the merchants to take up the goods which you can supply at equally low rates with the imported goods?—On several occasions I have quoted what I considered a slightly increased cost to what they could land them at, and of course they have naturally told me that they can land at less cost, and except for urgent requirements they have not accepted my quotations.

10129. You made a strong point of apprentices. With the protection you are asking for will this enable you to take apprentices to learn this business?—Yes.

10130. There is no difficulty in finding apprentices?—Within the last month I have refused at least six boys. Only this morning I had an application to take a boy at almost any wage and teach him the trade. I had to refuse him. I could not conscientiously take him unless I had employment for him.

10131. Was there any possibility of his finding employment when he had learnt his trade? Is not the difficulty that a journeyman finds no work?---At present, through slackness of employment, yes, but at present, there are in the district eight or ten men who are in employment and getting the same wages as an imported artisan and having the same ability.

10132. *Mr. Scott.*] You have said here that you have 25 years' experience in joinery?—Yes.

10133. I believe you are also a large merchant, both hardware and timber?—Yes.

10134. So you have a wide experience?—Yes.

10135. You do not ask for any reduction in the tariff on hardware?—No.

10136. What hardware is it?—In windows there are other component parts besides timber—sash weights, glass, pulleys and different things, and with these I will pay the present duties.

10137. If you were making large quantities of windows you would be contributing to the revenue in that respect?—Yes.

10138. You would also increase the number of your employees very largely, because I see you had 20 men before and now only 3?—That is manufacturing. We have other men employed in connection with our business.

10139. If you could shut out the imported joinery you would employ more people?—Yes.

10140. And you would benefit the country in that respect?—Yes.

10141. There was one point brought out in regard to imported joinery. I think you were made to say that there is very little difference in the freight. As a matter of fact, the imported joinery comes in 'knocked down' and it occupies very little space?—That is so. I maintain in the case of manufactured doors that the freight on the manufactured door would be no more than on the rough timber to make a door.

10142. You really have no protection in freight?—No.

10143. You also make reference to the competition in manufacturing lines?—We have had to reduce our prices. The recent depression in trade has induced the merchants to reduce their prices—for windows more particularly—and we have had to follow suit.

10144. So any increase of duty would not cause you to put up your price—that is with regard to joinery?—No.

10145. It would rather tend to help you to reduce your prices?—The tendency at first might be to slightly increase the price, but as we were able to manufacture more largely, instead of manufacturing just a few windows at a time, it would reduce the cost and we should probably be able to sell them wholesale at the prices which they cost imported.

10146. And you would improve your machinery?—Yes.

10147. Will you give us your experience with regard to the imported door; that is, regarding the quality of the article?—I may say the imported doors very often come to hand smashed up. We have to send a number of them to our carpenters shop to be repaired before they can be rendered merchantable. They come apart too and need to be wedged up.

10148. So there is a good deal of damage in the transit of the door?—Yes.

10149. If you were a builder would you advocate those special tariffs on doors?—Yes.

10150. If you have to make them as a builder you would require the 3s. or 4s. extra per door?—If I had to make them as a builder, but I believe in time we could manufacture them as a manufacturer. As a builder you need the special rated duty.

10151. Has the planing of the boards here given the consumer a better article?—Yes, a better planed article and a cleaner board at the same price. We have some imported boards still, although the tariff has been in existence some time, and are selling them at the same price as those we plane ourselves.

10152. And it is a great advantage to you, because you get the waste for fuel?—Yes. We are waiting to see whether the present tariff on shelving will be retained, in which case we shall put down larger machinery to plane the wide boards.

10153. How long do you think the tariff should remain in operation?—I consider for a minimum of five years.

10154. And that would probably induce you to bring out better machinery?—If to-day I was sure the tariff would continue for five years I would indent further machinery for planing shelving.

10155. *Chairman.*] Do you wish to make any statement, Mr. Drake?—*Mr. Drake.*] I do not wish to add to the statement I have handed in.

10156. *Mr. Scott.*] You are the President of the Master Builders' Association?—Yes.

10157. And you have had large experience in building operations here?—Yes.

10158. Are you representing any body at present?—I have not been asked to represent the Master Builders' Association except the local association, though I consider I am at perfect liberty to speak for the South African Builders' Federation.

10159. They support this statement you have sent in with regard to the last conference that the builders had?—Yes. That statement I have handed in is part of an address which I made on that occasion, and which received the unanimous vote of approval of the Federation, comprising representatives from the whole of the Colonies to the number of about sixty.

10160. Has the depression affected your business?—Very considerably.

10161. I suppose partly on account of people leaving the Colony?—Very largely.

10162. Can you give any reason other than that?—Of course in any case we should have felt the natural depression which must have followed from the various causes contributing to that depression during the last eight or nine years, but I think the depression in our trade is very much accentuated, because if we had the making of even the amount of joinery coming into this country at the present moment we should be able to employ a certain number of men at any rate more than we are employing at the present time, and therefore many of these men would not have left the Colony.

10163. What is your position to-day in regard to work?—I have nothing at all. My shop is closed up, and it represents a value of about £10,000 lying absolutely idle.

10164. Is there much in the way of builder's plant lying ide?—About £1,500 worth of machinery in my business.

10165. I am speaking of other manufacturers and builders?—I think I can enumerate a dozen in Cape Town to-day who have shops as large as mine and much larger who are absolutely closed down owing to there being no work.

10166. Well now, with regard to the tariff, what is your opinion regarding its duration?—I think it should be for certainly not less than seven years, and would prefer to see it for ten years, because it would add stability to the manufacture and also the status of trade in the Colony.

10167. What resolution did your Builders' Federation bring up on this question?—We adopted practically the suggestions you have had handed into you as regards the different percentages of the tariff, and we came to a compromise with the Transvaal on the question of the preference in the railway rates—that is, that the rough timber should be carried at the lowest possible rates and the manufactured articles should be carried at the highest possible rate. If it would be any convenience to the Commission, I could hand in copies of those resolutions. That is the resolution you saw, I presume, in our official organ, the "Builders Journal," last March.

10168. Your Association is not in favour of these preferential railway rates?—I think our local association is not, as a whole, and I think the same would apply to East London and Port Elizabeth, as far as I know the feelings of our members there, but I think—for the sake of unanimity amongst the building trade in South Africa as a whole—we compromised with the Transvaal and agreed to that suggestion. Moreover, when the last Customs Convention met at Maritzburg we were sitting in Pretoria—our Builders Congress—and we agreed then to that compromise, and telegraphed our agreement to the Customs Convention.

10169 Can you tell us what class of joinery is imported?—As far as I know from my own experience, the class of joinery that is imported into this country is of the lowest class. It is very low indeed when the architects in the general work in the towns and cities will not utilize it in the construction of their buildings.

10170. What amount of work, if any, do you put on this imported joinery before it can be used?—As Mr. Whitinshaw mentioned just now, before we can use it in every instance we have to clean it or sandpaper it or re-wedge it.

10171. If there is an increase in the tariff how will the price to the consumer be adjusted?—I think by competition. As far as I am able to form an opinion, I think there will be very little, if any difference in the ultimate cost of the article to the consumer, because if those of us who are able to manufacture these articles are able to put our men and machines on a certain class of window or moulding for a month or so, and leave the men employed on that, then I say the cost of the manufacture of that article will be lessened. Then the waste off the deals we should be able to turn into small mouldings.

10172. What do you do with it at present ?—My employees generally take it for firewood. Also, the cost of firing for our boilers and engines would be reduced.

10173. Have you, as a builder, had anything to do with buildings which have imported the fittings ?—I think the most flagrant example is the New York Mutual in St. George's Street. I was the contractor for the superstructure ; and the whole of the sanitary fittings and woodwork fittings, and various other fittings, including the plaster and cement partitions in the building, of which there were thousands and thousands of yards, were wholly imported into this country ; in fact workmen were imported into this country to execute that work of fixing it whereas I had got equally as good workmen, and I think a great deal better as a matter of fact ; the American workman, in my opinion, is not to be compared with the English workman. Since then I have been round for the proprietors, repairing the joinery and other work in that building.

10174. You mean to say the imported joinery is not equal to the locally made article ?—It is not to be compared in any sense whatever, in my opinion.

10175. Why ?—It falls to pieces. There is an ocular demonstration if the Commission will go round to that building to look at it. The wood is not seasoned. It is put together in part. The so-called oak doors are veneered doors. We do not make that class of work, and that class of work coming into the country comes through foreign agents with whom we could not compete on any terms whatever.

10176. Could you tell us what effect the duty would have on the artizan class if it were increased ?—In the statement I have handed in I have tried to work out the approximate cost that would accrue in the case of a house of five or six rooms, valued, say, at £500 or £600. I make the probable cost about £5 14s. 8d. You will see how I have made it up. I think I have taken the outside amount in the case of each and all of the various items. When I say an actual cost of £5 14s. 8d., I would rather say it would be a probable cost, because I believe the extra cost incurred for the moment by the increased duty would ultimately disappear with increased output, increased competition and the greater facilities which we should have for turning out the product. Therefore I think a very much larger number of families would be taking up their residence in the country. As a matter of fact, I think it has been proved. Men I have had working with me for the last fourteen or fifteen years have come to me only this last month and said good-bye and left the country, because here is no work. Two families in the last month have done that.

10177. In compiling those figures, are you specially acquainted with the freight from oversea ?—No, I do not know anything about them.

10178. How have you arrived at the figures ?—I have taken what I would pay for the timber here and I have calculated the duty on each of those items and the increased duty we are asking for, and put the one against the other, which gives us £5 14s. 8d.

10179. But you have no special knowledge of freights ?—None whatsoever.

10180. *Mr. Harlow.*] You have given returns here of some of the industries. I would like to draw your attention to the first you mention—stone-works. You say 879 employees, £15,994 value of machinery ?—Yes. That was last year.

10181. Is that just in Cape Colony alone ?—Yes.

10182. I presume those figures have been carefully calculated, and we can take them for granted ?—Yes.

10183. Have you any difficulty in getting apprentices when the shops are in full work ?—No difficulty at all, but I have made a practice of not taking them.

10184. Do other firms in the Colony employ apprentices ?—I only know one firm in town employing them.

10185. If you do not employ apprentices, from what source do you get your mechanics ?—That is the trouble we have had in the country, and I have tried to make it plain in my statement. We are in the unhappy position of depending almost wholly on the imported mechanic, and until we are able to guarantee the apprentices work in our shops—which is the only warrant of a man taking on apprentices—I think we shall remain in that position. I have added a note which I think is rather important—that I think this question is wholly responsible for the very poor position in this country that technical education is in at the present moment—owing to the absolute lack of interest for the youths of the country to enter into the trades that pertain to the land.

10186. As a matter of fact, the last tariff, instead of being of benefit to you, has been more the other way, I take it ?—It has been more of a taxation on the community ; it has not helped us much.

10187. It has not helped the building trade at all?—No. We either want a protective tariff or nothing at all, it seems to me, for the good of the country.

10188. In the event of your getting nothing at all, you will be in the same position as to-day?—Absolutely.

10189. I suppose you would not recommend that to last for five years?—No, because I think we should all set to work and try to alter it.

10190. Could you give me any other method of supporting your industry, with the exception of the Customs Tariff at the port of entry?—No.

10191. In the event of your getting this tariff, and your industry getting into a good position, do you think at the expiration of five or ten years you would be able to continue if the tariff were taken off?—No, I do not think we should.

10192. You would not be able to go on without a certain amount of protection?—I do not think so.

10193. When you get your machinery in working order I take it you could do with a reduced protection if necessary?—I do not look at it like that. I say we are asking for this high protective tariff for the purpose of enabling us to make the material and articles in this country. If we make the articles in the country there will be no difference in the price as regards the imported article ultimately, but it will do away with the great difficulty in this country of working against the sentiment where practically everybody imports. It is the sentiment of the country which keeps the Colonial article from being used.

10194. And there is a certain amount of prejudice against the Colonial made article?—Yes.

10195. You have already stated that your employees are as competent as any you can get from any other country?—Yes.

10196. You also made mention of the preference in the railway rates. I suppose you are aware that the up-country master builders and so forth are asking for this preferential railway rate to be taken off?—I read in the report I had sent me yesterday for the first time from the associations. I did not know before that.

10197. So this has not been an arrangement with the master builders throughout the Colony?—No. As far as the railway tariff goes we have not considered it in any shape or form as a whole.

10198. *Mr. Kayser.*] I was rather surprised to hear you say there was a prejudice against the Colonial made article. Is that so?—It is an undoubted fact in my opinion.

10199. As far as Colonial made joinery is concerned?—Undoubtedly.

10200. Is not that because of the cost?—I do not think so.

10201. Did you not say the architects would not allow the imported articles to be used?—In the good class buildings. In the class of building the imported article is used in there are very few architects employed.

10202. Does not that point to the fact, as far as the architects are concerned, that there is a prejudice against the imported articles?—As far as I know the architects—and I know them pretty well—I think their desire to foster the industry and keep the work in the country is their reason for preferring local made joinery.

10203. It is not on account of the quality?—It is and it is not. Naturally, an architect wants the best work possible, and he wants it done in his own way.

10204. You very clearly said that the imported article was so poorly made that you had to wedge it and sandpaper it, and you added the architects would not allow you to use it in the buildings because of its poor quality?—Exactly.

10205. That does not agree with your statement that there is a prejudice against the Colonial article?—It does.

10206. Will you explain how?—One class may have one opinion about it—that is the prevailing class—and another class may have entirely another opinion or reason why they do notice it. The two may be prevalent.

10207. Who controls the class of material going into the building?—The man who pays, very often. Sometimes there is no architect and the builder puts in what he likes.

10208. The architects specify what is required?—Yes, but oftentimes there are no architects.

10209. The only thing I question—and I do question it as far as joinery is concerned—is that there is a prejudice against it, because I understood from Mr. Withinshaw that the Colonial article is so much superior?—I am speaking of the imported article.

10210. You said there was a prejudice against the Colonial article?—Yes.

10211. Then there is a prejudice against the better article?—There is this prejudice in the country, that the natural inclination of the imported individual is for the work of his own country, and it is undoubtedly a fact that in Cape Town we have had great difficulty in getting people to use Colonial wood. I can mention a dozen instances where we have given prices for shop fronts for some of the big shops in Adderley Street, and we have been comparatively the same price as the imported article, but they have not accepted the Colonial article. They have gone Home through the agents in town and got the article there. I could point out a dozen of them within fifty yards of this building.

10212. You do not want protection on account of the cost of the imported article being against you, but on account of the prejudice?—In mahogany shop-fronts we cannot make them for the same price as in England, but in the big shop-fronts we can make them at practically about the same, but we want a prohibitive tariff so that the work shall remain in the country.

10213. In the case of the big shop-fronts you want the protection against the prejudice of the country?—Yes, and that reason applies to a lot of things.

10214. I always understood the Colonial article was so superior that every one who could afford it used it?—Take granite. The Paarl granite can be worked up and polished equal to the gray imported granite, but the people must have the imported. The Colonial granite is perhaps a little harder to work.

10215. Does it cost more to work?—About 10 per cent.

10216. Everything depends upon the cost; every one wants the cheapest article? —They do and they do not.

10217. In regard to the railway preference, you say as far as your association is concerned you have no objection to this being removed?—It has never been up before our association.

10218. Still, as far as you are personally concerned?—Yes. It does not affect me.

10219. With regard to the manufactories being established here and the question of the price not being increased, is not the price to a certain extent ruled by the demand?—No, and yes.

10220. At all events do you consider your demand in this country would be such as to materially reduce your price?—If the demand is that the importers should import stuff in 1906 to the tune of £302,000 alone in church and school furniture and that kind of thing, surely that same demand exists for us to get that class of work and that amount of work.

10221. Do you think a business amounting to £25,000 a month would be sufficient to keep all the manufacturers in this country going?—I do not say it would, but it would keep some going.

10222. Would it be sufficient to keep the whole of the artisans going?—You have only taken one item. There are other items amounting to half-a-million.

10223. Take a million?—If the builders in this country had the making of one million pounds worth of joinery in this country at the present time, I have no hesitation in saying we should all be working in our shops.

10224. And making an enormous profit?—That is another question.

10225. For the sake of a milllon a year in business you say the whole of this country should be taxed to the extent of 25 per cent. duty?—I have tried to make it clear that it would not be a tax; it would be something too prohibitive to import stuff.

10226. You are really serious in that?—Yes. I have seen it proved in South Australia.

10227. Do you know the protective duty there?—In some cases it amounts to 60 per cent.

10228. Do you know the duty on the goods entering Australia?—On a door I think about 7s. It is about 15 years since I was there.

10229. And on the material of which the door is made up?—That I cannot say.

10230. That is the point you lose sight of. Australia nominally has a high tariff, but she has also a high tariff on the raw material?—Because there are so many woods there which may be utilised in the making up.

10231. That is exactly the point, and here you—using no woods in this country—want a higher protection?—On the other hand again, with the common woods—the deal and Oregon and pitch pine—they have to import the same as here. They do not pay the same amount of duty on Oregon as we do here, because in Australia when I was there we paid 6s. a hundred feet super.

10232. What does that amount to in percentage?—I have not worked it out.

10233. It will be more than 3 per cent. duty?—Yes.

10234. Therefore they paid a higher rate on the raw material than here?—The point is in those countries, with a far less white population than we have here, and with a depression which was more acute than here even, they have been able to carry this question to a successful issue.

10235. They have a larger population?—No. I speak of when I was there as a boy.

10236. In regard to doors you would have to compete with America?—Yes.

10237. What markets does America supply ?—The markets of the world.

10238. Therefore it would be a very difficult thing for you to compete, Their low price naturally depends on the large demand they have, does it not ?—It may or it may not ; I have not studied it.

10239. That is why you ask for a special rated minimum duty on doors—because of the difficulty of competing ?—Yes.

10240. With regard to the figures you gave us in connection with the cottage of six rooms, have you not made a mistake in your calculations ? —I do not think so.

10241. Would not the minimum apply there ?—I have counted on the minimum duty of 4s. a door. I counted 28s. on the doors.

10242. Of course the 25 per cent. just makes it £7 10s. on the £30 ?—There are seven doors, and that is £1 8s. at 4s. a door, and then there are windows, I think 39s. duty.

10243. You said you have not imported building material at all ?—Yes.

10244. So it is no use examining you with regard to the preference on imported goods ?—No.

10245. *Mr. Pyott.*] With reference to the last point in your statement regarding the house of £600, can we take it the difference in duty enforced to-day and the duty you propose would be £5 14s. 8d. in the cost of the house ?—It would not actually be that, but that is from the builder's point of view. I have taken those prices as the prices which the merchants pay in America or Sweden. This is what it could not exceed to me, as a builder. I have reckoned duty on the selling price which I pay the merchants.

10246. Are you taking apprentices to-day ?—No. I am shut up to-day, and have been for months.

10247. Does that apply to Mr. Reid ?—*Mr. Reid.*] No.

10248. Are you taking them to-day ?—A very limited number.

10249. Could you get more than you are prepared to take ?—Considerably more.

10250. Why do you not take them ?—Because we cannot find employment for them.

10251. Would there be any chance of employment after they had served their time ?—We have a large number who have served their apprenticeship.

10252. They can find employment as journeymen ?—Yes.

10253. You feel that after a youth has served his time with you, there is not sufficient work ?—There is not sufficient work in the first place to give him the necessary training as an apprentice, and after that there is an uncertainty of being able to give him any continuity of work. That is the actual practical result I have experienced for the last 16 or 17 years.

10254. But you have no difficulty in getting youths to become apprenticed to you to-day ?—I feel very sorry for the youths of the country who apply to me for work, asking to be taken in as apprentices, and also parents asking me to take their boys to learn the trade. The position is absolutely serious.

10255. Supposing you get this higher duty will it tend to give employment to these youths as apprentices and journeymen ?—Certainly.

10256. Is not a great deal of this machine work ?—Yes.

10257. You will teach them to use the machines ?—Teach the whole business.

10258. Do you press the minimum of 3s., 4s. and 5s. on doors ?—I do as a builder.

10259. Upon what ground ?—Upon the ground that I consider the class of door which is imported now is very unserviceable for the requirements of this country.

10260. It would be no detriment to the consuming public ?—I think it would be in the best interests of the consumer to have this applied and get an article which would be value for his money.

10261. You propose 12½ per cent. on iron and steel work. It is coming in at 3 per cent. What is the object of that ? Do you mean steel girders ?—*Mr. Drake.*] No—iron and steel frames—not the raw iron girder itself, but something which has been manufactured—something a girder is made into. If we had this duty on at the present time we should be in the position of having manufacturers in this country who would be prepared to do it all here—simply importing the raw material. I know one of the largest English engineering firms there is—a very large firm indeed—who are prepared, if a duty is put on in this country to this extent, to come here and put a factory down.

10262. You say you would give a preference of 5 per cent. to British manufactures ?—Yes.

10263. Is this a matter of sentiment ?—Not exactly. In the Colony we get a very great deal of protection and other things from the Mother Country.

10264. The opinion of the master builders of Cape Colony is that they are prepared to give Britain greater preference than to-day ?—Yes.

10265. Are you willing that these duties shall be taken off all doors and windows when they come from Great Britain ?—That clause only refers to iron and steel work.

10266. You prefer that doors and windows from foreign countries shall pay 25 per cent.—Yes.

10267. And from England 20 per cent. ?—No, 25 per cent. They should all come in alike. If we get 25 per cent. they will not come ; we shall be able to produce cheaper.

10268. Is this a foreign or British preference ?—A British preference on the iron and steel work, for the purpose of encouraging the engineering firms to start in this country.

10269. Is this only in connection with iron and steel ?—Yes.

10270. And not joinery at all ?—No.

10271. *Chairman.*] Your congress came to an agreement on the railway question? —Yes.

10272. They are prepared to agree as long as they are put on the same position as manufacturers at the ports ?—Yes.

10273. Do you think that is a settlement of the question ? We have before us from all the up-country towns an objection to the preferential railway rates, and you think the settlement you suggest—that the raw material should be carried at the lowest rate and the up-country manufacturer placed in the same position as those at the ports—would be best ?—Do you mean for this Colony, or all Colonies ?

10274. Including the Transvaal ?—In regard to this Colony I think there should be no preferential railway rate, but when it comes to a question of treating the whole of the South African Colonies alike—because that is the ultimate object of everybody—I say we must have some means whereby we can say to the Transvaal, "We will not do you harm and you shall do us none." We must have a system of rebate or preferential rates of some sort to meet the Transvaal.

10275. You are simply putting the up-country manufacturers on the same basis as yourself ?—As far as the Colony is concerned.

10276. *Mr. Scott.*] Do you agree in the main, Mr. Reid, with what Mr. Drake has said ?—*Mr Reid.*] Yes.

10277. What is your opinion with regard to our native timbers ?—My opinion is that they should be encouraged considerably more than they are.

10278. The planting ?—Yes ; and encourage their use.

10279. Are our native timbers capable of being used in building—yellowwood for instance ?—I consider many of them could be used, and at present there is a large amount of colonial wood being used in connection with various industries.

10280. You have a very large plant and machinery. What would be the effect if you did not get increased work ?—It is very hard to contemplate what the result will be ; I am seriously looking to some grave results in connection with that part of it.

10281. With regard to school desks, church furniture and office furniture, great quantities of these are imported. Do you think these things could be made in the country ?—I consider all of it should be made in the country absolutely, and there are firms here who can manufacture school and church furniture equally as good as, if not better than, the imported article ; we should retain all that labour in the country and retain the money here which is paid out to foreign countries.

10282. What is the duty on school furniture to-day ?—It comes in free.

10283. The desks and benches and all kinds of wood furniture ?—Yes.

10284. You say, from your knowledge, that it could all be produced here ?— Absolutely.

10285. *Mr. Pyott.*] You do not deal with shooks in your statement ? -No.

10286. Are you interested in the cutting of timber for boxes ?—No. Our business is the builder's business, and also the manufacture of joinery.

10287. You are also sawmillers of course ?- Not in the same sense as a sawmiller.

10288. *Mr Kayser.*] As far as the church and school furniture is concerned, of course with the duty imposed the price would go up considerably ?—I do not think so.

10289. But it is free to-day ?—I know.

10290. You surely cannot manufacture on equal terms ?—We do not get the opportunity to manufacture.

10291. Can you manufacture on equal terms ?--Yes.

10292. Without duty ?—No, we cannot without duty.

10293. If you have duty the price must go up ?—No. The middleman here importing does not give us the opportunity of tendering for it. It is practically the middleman here at the present time—the agent for the foreign firms—who goes round with illustrated catalogues and gets the orders, and all the man has is a small office and a carpet bag.

10294. Would you be able to supply at the same price as at the present time without duty ?—Not at present.

10295. The price would be higher then ?—It is a matter of numbers. If we were able to manufacture the amount of work coming in now, it might result in the same, but I am not prepared to say it would not be a slight increase. At any rate, it would be of benefit to the country. It would be a slight increase for the present.

10296. You complain about the state of trade. Is the importer who is doing such a good deal of harm to this country doing good business here to-day ?—I do not say he is doing good business.

10297. Who buy the goods from the importers in the building trade ?—The general public.

10298. Are not you a good customer of the importers of building material ?—To a certain extent, I suppose.

10299. If Mr. Drake's business is closed, the importer is getting no benefit from him ? To be clear, the depression affects every one all round ?—What I contend is that the acute depression existing to-day would be very much minimised if we had the tariff we ask for. We have thousands of pounds worth of building plant standing idle.

10300. But the consumer would have to pay a little more for his goods ?—A trifle perhaps, but he would get it back in another way—considerably more. That is my opinion.

Walter Barlow, of Richards & Barlow, Glass Merchants, examined.

10301. *Chairman.*] You wish to give evidence on leaded lights ?—Yes.

10302. Will you state what you want ?—I would like a distinction made between window glass in its raw state—that is as it is first produced—and after it is artistically treated, *viz.*, leaded lights, embossed glass and bevelled mirrors.

10303. What duty do you want ?—I should suggest a duty of 25 per cent. on those articles that I have specially mentioned, such as leaded lights, embossed glass and bevelled mirrors, and the ordinary sheet glass to come in at a nominal sum of 3 per cent. or 5 per cent., or something like that.

10304. You want a difference of 20 per cent. ?—Yes ; approximately, 20 per cent. difference would protect us sufficiently.

10305. Is there any other point ?—No, I have nothing more than that.

10306. What you want is the old Custom Tariff to be altered to give you a preference of 20 per cent. ?—Yes.

10307. *Mr. Scott.*] You want the plain glass to come in at a low duty. What do you mean by plain glass – coloured glass as well ?—Yes ; all glass in the original state of manufacture.

10308. In the sheet ?—Yes. That is glass which is not produced in this country, and not likely to be.

10309. Can you make all kinds of leaded lights ?—Yes, but not stained glass memorial windows. We make an exception of them ; that is a distinct trade.

10310. How many men do you employ in your factory ?—At the present time we have about 12 or 14, including coloured.

10311. Can you give us any idea of the wages spent in the Colony in this industry ?—I am not able to give you that information ; I can only tell you our own.

10312. What would be the difference to the revenue if the leaded lights were imported as compared with the wages spent ? Put it in another way. Your glass is a small item compared with the labour ?—That is so.

10313. What percentage ?—The value of the glass would be from 10 per cent. to 25 per cent., and 75 per cent. would be paid in labour in the country, There is another small item—the lead which is used ; we get that manufactured here.

10314. So your contention is you spend about 75 per cent. on labour ?—That is so.

10315. And that that justifies you in asking for the protection ?—Yes.

10316. Do you find difficulty in getting orders for the leaded lights ?—Yes. There is a certain class of people in this country who have been in the habit of importing them before the work was done here and who still continue to import them without giving us a fair trial at all.

10317. Have you any difficulty in getting orders through the architects ?—Yes, we have difficulty. I can state one recent case in particular. The architects for the Standard Bank at Johannesburg—which is, as you are no doubt aware—a very costly building—were asked by us to give permission to submit designs for the building, which we were ready to do. They wrote approving of our designs, saying they were very creditable and on the whole quite satisfactory, but they had decided to import the windows, and that was the only information I could get from them.

10318. And your price was what ?—We quoted 7s. 6d. per foot. They said they were quite prepared to go to as much as 10s. per foot for it.

10319. But you do not know what the imported article cost?—No, I do not; probably it was 10s. a foot.

10320. And your price was under that?—Yes. Of course it depends to some extent on the amount of detail put in the work. A similar design could be reduced or increased in price; in such work as a landscape executed in glass we could cut out a lot of the detail if necessary.

10321. I understand from your answer that agents and architects were really opposed to giving you the labour?—That is how we took it.

10322. Is it a question of commission?—I am not in a position to say that.

10323. Have you any reason for thinking that is the reason?—No, I have no obvious reason. I contend that we can do this class of work equally as well as any one in the world if we have the work to do.

10324. Is there any prejudice against your work?—Not with the majority of people. We are making the windows for St. George's Cathedral—such work as I produce photographs of (handing in photographs).

10325. You really want protection to keep the imported article out?—Yes.

10326. Will you increase your price if you get protection?—We should not.

10327. Tell us why you will not increase your prices?—It pays us very well at the present price, but we want to bring it home to the users of these goods that they can be made in the country, and that if they wish to import them, considering that they can be made here, they should be made to pay for them.

10328. Will you hand in a statement of how much will be spent, approximately, in the Colony if you make all the leaded lights except the memorial windows?—I do not know of any means of getting at that information; at the moment I cannot say.

10329. *Mr. Pyott.*] What is the duty on leaded lights to-day?—15 per cent.

10330. You want another 10 per cent.?—Yes.

10331. You employ 12 to 14 men?—Yes.

10332. Making leaded lights?—And fixing them, etc.

10333. With the extra 10 per cent. duty how many more men will you employ?—In the leaded lights we should possibly employ one-third more.

10334. What is the average wage of those men?—The tradesmen get £3 10s. a week. I have paid as much as £4 a week.

10335. The 14 are all skilled men?—No; I include the men who turn out the lead and are labourers.

James Allan Yallop, of Purcell, Yallop & Everett, and *Henry Olive Younge*, of W. & G. Scott, Timber Merchants, examined, put in the following statement:

We consider that with a protective tariff, lasting for a term of seven to ten years, that the timber and joinery manufacturing trade would become permanently established, and that eventually it would be clearly shown that all classes of work could be carried out here, and to the advantage of consumers. Foreign firms have, under the present conditions, got a firm hold of this market, and no doubt price their goods accordingly, as they know that there is no inducement for merchants here to put down plants and machinery, and they are therefore without opposition; with a protective tariff prices would be reduced from oversea, so that manufacturers would still be bound to produce at cheap rates to hold their own against foreign competition.

At the present time importers do not stop to consider whether articles could be made here, so do not trouble to obtain local quotations. The effect of a protective tariff would compel this being done, and it would be found that we can compete and supply better articles quite as cheaply as the imported. We have not had an opportunity of showing what may be done if produced in quantities.

With a limited demand only a few first-class hands are employed, the output being small it necessarily follows that cost of production is higher than it ought to be; if we employed these high-waged men to superintend a larger number of cheaper-paid mechanics engaged in turning out quantities of joinery, the cost would be considerably reduced.

Material plays, comparatively speaking, only a small part in our work, it is the labour that is costly, but our men spend their wages here, whereas foreign labour brings no return to the Colony. Our farmers obtain protection, but little consideration has been shown to manufacturing interests. With the cheaper living without protection, as arranged on its present basis, manufacturers would be in a better position to compete than they are now.

We are of opinion that the revenue of the Colony would benefit under a protective tariff. Manufactories would flourish and give employment to many workers, who, by spending their earnings here would do their share in contributing to the revenue.

Preferential railway rates on South African produce is certainly a great advantage, and we should prefer to see a continuance of this policy.

We prefer to have Customs duties levied in place of a system of bounties.

Regarding the proportion of raw imported material to be allowed in goods manufactured here, we would suggest that at least 25 per cent. should be used.

We consider that the duty on all manufactured timber, including flooring and ceiling boards, dressed wood, mouldings, doors, windows and joinery, school and church furniture, cart and wagon timber, wood boxes, portable houses, should be a minimum of 15 per cent. and with a maximum of 25 per cent. *ad valorem*.

All unmanufactured timber, British and foreign, free.

Sheet glass and polished plate, not bevelled, silvered or embossed, free.

In order to reduce the cost of living, all articles of food other than those produced in this country, should be free of duty.

On the following articles the duties might well bear an increase:

Cement.
Corrugated Iron.
Sheet Lead.
Tiles.
Ridging.
Rainwater Goods.
Roofing Slates.

10336. *Chairman.*] Do you wish to add anything to your statement?—*Mr. Yallop.*] I think not. In my statement I have just outlined the points which I think I might be questioned on.

10337. *Dr. Viljoen.*] You are a box manufacturer, Mr. Yallop—a wood merchant? —Yes.

10338. Did you make any boxes last year?—Only a few. It was just at the commencement of the business as far as we were concerned; that is, from inquiries which came in. We did not seek orders at that time for the making of boxes, but it was evident that there was a demand for them from the country, and we laid ourselves out to cope with the trade offering.

10339. Have you an order for many boxes now?—Even now, with the fruit season right on us, the orders are not as large as I anticipated they would be.

10340. Do you know the reason?—Fruit-growers are full up. All the large buyers have made their arrangements for the imported boxes.

10341. The fruit-growers are very careful business men, and they lay in a stock beforehand; is not that so?—Yes.

10342. They indent beforehand?—Yes, and we, as manufacturers, would have liked to have had those inquiries months and months ago.

10343. You know the indents are generally sent about May?—Yes.

10344. Did you hear about any complaints made last year with reference to the non-fulfilment of promises made?—Certainly there were complaints—but complaints that were easily explainable.

10345. Anyway, there were these complaints?—Yes.

10346. That the boxes were inferior in quality?—In some cases. On the whole I think the timber merchants were to be congratulated on the boxes they turned out.

10347. There were also complaints that they could not get the number of boxes they required?—We had not the facilities for doing it.

10348. Might not that have been one of the reasons the fruit growers got chary and put their indents on the other side of the water?—I think not. I think the fruit growers have been learning, and have been gaining experience in that particular trade and we, as timber merchants, of course were taken of a heap when suddenly called upon to supply boxes.

10349. What is the difference between your present quotation and your quotation of last year?—We are cheaper this year.

10350. By how much?--10% to 20%.

10351. Could the present quotation compete with the imported article?—Our present quotation, hardly. In some cases yes, but not in all. Of course there have been certain circumstances in favour of the imported boxes this year which I think will disappear; that is you will not be able to bring your boxes out on deck. Steamship companies are refusing to do that, and that being so it gives the colonial manufacturer a better chance to compete.

10352. Of course I do not know anything about that. I do not know whether it is a fair question to ask you, but it has cropped up in evidence. Is it your intention, subject to little fluctuations, to stick to the present quotation?—No; we shall do better.

10353. You are going higher again?—Going lower.

10354. Why I ask you the question is because it has been submitted to us that you do not intend after this next convention is entered into to adhere to these quotations—in other words, that they are faked quotations?—No.

10355. Supposing I were to come to your shop to-morrow, are you prepared to enter into a written agreement to adhere to these quotations whilst the next Convention lasts?—I will answer yes, if the duty remains.

10356. Subject to the present conditions?—Subject to the present conditions I am prepared to do so.

10357. And are prepared to supply quality equivalent to the imported article? – You have the guarantee, and there you differ in dealing with a local man to your dealings oversea. You have the manufacturer on the spot. He has to make and deliver the boxes to you, and if they are unsatisfactory you complain and send them back.

10358. Do I understand your quotations will hold, as any one can within the next two months put down orders for the next five years?—Subject to the fluctuations of the market. I can look only one season ahead. I cannot buy timber now to make boxes in the next two or three seasons.

10359 What makes you say you will go better if you know what the market will be ?—That is taking into consideration the present price of timber on the works, because with the additional improvements and mastering the business as we have done we shall be able to turn out boxes cheaper than we have done this last season.

10360. Have you put down much machinery for the manufacture of shooks ?—I think we have put down more than circumstances warrant.

10361. Have you complete machinery now ?—Almost. I want two more machines, and I think, from what I know of the other factories in the Peninsula, that we shall be able to cope with the bulk of the requirements of the fruit growers.

10362. Take a small grape box ?—We can turn you out a thousand boxes a day.

10363. That will be 30,000 a month ?—Yes.

10364. Have you ever tried the poplar wood ?—No.

10365. You know it well ?—Yes.

10366. Is it in your opinion a wood suitable for this kind of work ? I am referring to fruit boxes, and not candle and wine boxes ?—With proper seasoning I maintain that the poplar is a suitable wood, in fact so much so that I made an offer just recently for a parcel of Colonial poplar wood. I should store it and season it and bring it in for next season's boxes.

10367. There is no doubt you want absolutely odourless wood for fruit boxes ?—Yes.

10368. *Mr. Harlow.*] In reference to the giving of a price for the supply of boxes for a term of five years or so, I suppose you have to be very careful in that to guard against the price of the timber being raised oversea ?—Yes.

10369. Do you think there would be any danger of the price of timber rising provided you tendered at a certain price ?—Yes. Timber fluctuates. A few years ago we were paying 50 per cent. more for certain classes of timber than we are paying to-day.

10370. I suppose there is a good supply of timber oversea ?—Of a certain kind.

10371. Apart from the box trade, do you think if you get this 25 per cent. with all these things you mention here you can compete with the oversea trade ?—Certainly we could compete. The object of putting on the 25 per cent. duty is to keep out the imported article and to give the colonial article a chance of showing what it is. The colonial made joinery is of better quality than the imported.

10372. Therefore you have no difficulty in getting thoroughly experienced mechanics ?—No.

10373. Do you find the mechanic here compares favourably with the oversea mechanic ?—My experience is only in connection with the manufacturing here. I have no experience from oversea, but we engage the best men we can from oversea and are satisfied with their work here.

10374. Would you have any objection to a slight duty on unmanufactured goods for revenue purposes ?—No, I should not object. If would be better from a manufacturing point of view to get the unmanufactured article in free, but from a revenue point of view we should be quite willing to pay 3 per cent. or 5 per cent.

10375. Do you deal in glass ?—It is an article we sell in the ordinary way and use in the manufactured frames.

10376. Do you think it is possible to do the bevelling and silvering of glass here ? --That is being done here now.

10377. You would not press this point of bevelled and embossed glass ?—As a protectionist. I am of course one thing or the other, Free Trader or Protectionist according to Tariff arrangement. We want protection right through—all trades to be protected.

10378. You say sheet and polished glass, not bevelled, silvered or embossed ?—Because that can be done here.

10379. In reference to cement, why do you suggest a higher tariff ?—I maintain that cement and a few other articles I have mentioned there might well bear an increased duty.

10380. Cement is already taxed, is it not ?—Very slightly—about half the tax of a few years ago, and it was not full then.

10381. Do you think there is any probability of making cement in this country ? —I do not know about this end of the Colony, but cement has been made in the Transvaal.

10382. As a matter of fact there are very great deposits of gypsum in this Colony ?—Yes.

10383. Would you suggest a duty on cement high enough to introduce that industry here ?—Not until we see a chance of its being an industry.

10384. All you suggest is for revenue purposes ?—That is all.

10385. Corrugated iron ?—That, coming in free and 3 per cent. for foreign. might bear an additional revenue for revenue purposes.

10386. Would you suggest any additional tariff on that ?—The same as the other, 12 per cent. or 15 per cent.

10387. You cannot manufacture sheet lead ?—We have a struggling lead works in Cape Town now.

10388. Do you think with a small duty on that we should be able to manufacture the lead here ?—I think so.

10389. They are manufacturing tiles here ?—Yes.

10390. You would suggest a higher tariff on those ?—Yes, 15 per cent.

10391. Do you think that would meet the requirements of the tile makers ?—I suppose the tile makers, in giving evidence here, would ask for 25 per cent.

10392. You would have no objection to the 25 per cent. ?—No.

10393. Are rain-water goods made locally ?—In the galvanised iron they are, but in the cast iron they are not yet made.

10394. They could be made ?—Yes.

10395. We have our foundries and everything here absolutely suitable ?—They are doing very little. It might be a great deal more.

10396. In fact they might possibly do the whole of the rain-water goods here ?—Yes, and we are buying our sash weights for our locally made windows from the foundries here.

10397. Do you refer to flooring or roofing tiles ?—Flooring tiles are being made here.

10398. What about roof tiles ?—Also.

10399. Does the price compare favourably with the imported article ?—I have no knowledge of that.

10400. Do you know if any tile makers are coming forward to give evidence ?—I do not.

10401. *Mr. Tod.*] You are a thorough protectionist ?—I am either one thing or the other. If the farmer asks for protection—if foodstuffs have to be taxed for the protection of the farmer—then the cost of living is increased.

10402. I do not quite understand your statement. You say: "Our farmers obtain protection but little consideration has been shown to manufacturing interests ?—That is right.

10403. "With the cheaper living without protection, as arranged on its present basis, manufacturers would be in a better position to compete than they are now." What do you mean ?—It is one sided protection.

10404. What do you mean by "as arranged on its present basis" ? What basis ?—The present duties on meat and food.

10405. You suggest this present basis should be altered, and that is you want cheaper living without that protection ?—I want to see protection all round.

10406. You do not mean that you want the present basis of protection done away with as regards the farmer ?—No. I am quite in accord with the farmer in the protection he has in getting his implements in free and getting his products protected, but we want the same as manufacturers. If I might explain. It is often said that the timber is not produced here. I make the remark there that the material, comparatively speaking, plays only a small part in the manufacture. It is the labour that we pay, and we want our own mechanics here protected as against the oversea artizan who contributes nothing whatever towards the upkeep of this Colony.

10407. To come to a concrete case in regard to the farmer in his relations with the box-maker. Supposing the whole of the boxes that are at present imported into this Colony were manufactured here, how many men would it give employment to, and what class of labour would you employ ?—To a very large number of men.

10408. I understand they are all machine men ?—You want a man at every machine it passes through.

10409. I noticed the other day, when Mr. Hosken was giving evidence at Johannesburg in connection with the dynamite factory, it came out in evidence that a box-making machine was run by a native, and Mr. Hosken maintained that the native was competent to do it ?—That is not so as far as we are concerned.

10410. How many men would it give employment to to make the boxes here ? The requirements of the Colony would be about £40,000 worth of boxes in the year. How many men would you require to make those boxes ?—I should say about 200 hands.

10411. What wages do these men get ?—From 14s. a day down to 4s. 6d.—an average of 9s. a day.

10412. About £3 a week ?—Yes.

10413. That is £30,000 worth of labour required to make £40,000 worth of boxes ?—That works out rather high. It would not be as high as that. The greater the proportion of small boxes the greater the proportion of work put into them. On a small sized box, such as the one I indicate amongst those here, you would have to put about half the value in labour.

10414. In your calculation you put three-quarters of the value in labour ?—That is too high, but you can reckon £20,000 would be spent on labour.

10415. Half the value ?—Yes.

10416. I would like to point out that the farmer is paying £6,000 in duty to assist the box-maker in the country, and the question is whether the box-maker is getting an equivalent for that ?—Undoubtedly.

10417. For this £6,000 ?—It is not £6,000.

10418. But the farmer pays that to the Customs officer ?—It is not 15 per cent. on the laid down cost of the boxes ; it only works out about 10 per cent.

10419. I am only giving you the figures in Sweden ?—You have to add freight, commission, dock dues and landing charges. It is only 10 per cent.

10420. I am giving the fact that the farmer actually pays out of his pocket £6,000 in hard cash to support the box industry ?—It is not only the farmer ; it is all lumped together with all the other boxes—soda-water, sweets, soap and everything. We have not a grumble from these people in the manufacture of the boxes.

10421. If a large number of men is to be employed it is worth considering, but if we are going to put a heavy tax on an export trade—that is the fruit trade mainly —to establish a few machines in this Colony, which are to be managed by comparatively little labour, then it requires some consideration ?—You cannot do without labour. It must be skilled labour.

10422. How many men would you use turning out a thousand boxes a day ?—At present in our business generally we have sixty men employed.

10423. On the thousand boxes ?—No. I can tell you that. We are employing about fifteen hands on box-making at the present time.

10424. It would require fifteen men to manipulate the machines to turn out a thousand boxes a day ?—Of course I have given you a thousand boxes. We may turn out more : it all depends on the size of the box.

10425. Give us something we can get hold of. You said a thousand boxes a day. I suppose you had an idea what kind of box ?—We can turn out at least a thousand grape boxes a day.

10426. And you could not do with less than fifteen men to do it ?—Fifteen men would have ample work.

10427. Are you making boxes to-day ?—Yes.

10428. And you have fifteen men on that particular work, turning out about a thousand a day ?—That is right.

10429. We will leave the boxes. Now if you get this suggested duty of 25 per cent. will you be able to make the cheap American doors—1⅛ inch, 1¼ inch and 1½ inch ?—No.

10430. You do not think even with that duty you could do it ?—No.

10431. I may say we have had evidence that they could, and others have said they could not ?—I do not think we should be able to make them to compete against the American door, in fact I do not think we should make such a low grade door here.

10432. What about the cheaper window sashes ?—We compare very favourably indeed with the imported Swedish window, but the imported American window, which is a very shoddy thing, we do not hope to compete with at all.

10433. So this duty will not help you in regard to the cheap doors and windows ? —No.

10434. They will still be made in America ?—I think if we can shut out the inferior articles the consumers here will be getting better articles for very little more money.

10435. You have just said the 25 per cent. will not shut them out ?—The 25 per cent. will. I do not say we will make them to compete with the American door.

10436. Either you compete successfully and shut it out, or you do not compete and it comes in as usual ?—What I meant to convey was that, for the difference of cost, the Colonial and better made article will sell as against the cheaper American door.

10437. You are making a cheap door, and it does not hold its own successfully against the American cheap door ?—Not with the present tariff.

10438. When the duty is raised you will want a bigger price ?—The margin will be so small between the imported and the Colonial door that the Colonial will be taken in preference.

10439. Sufficient to discourage the cheaper article ?—Yes.

10440. You are against the preferential railway rates being done away with. I suppose you have given that consideration ?—I have considered it. Of course, I am not altogether strong on that point, because if the up-country manufacturer feels it is a hardship, of course, as a protectionist, I must give way on that.

10441. At present a man in Kimberley, in the same line of busines as yourself, has to pay a higher rate on his raw material than you have to pay on the finished article ?—You are mistaken there ; the raw material is lower than the finished article.

10442. You would not be prepared to press that point ?—No. Of course, as you have mentioned Kimberley, I feel there is little likelihood of manufactories being started there. At the present time no big stock of imported mouldings or joinery are kept at Kimberley ; the climate is against that.

10443. That is all the stronger reason why you should not desire an artificial aid against the Kimberley manufacturer ?—When we have the protection the necessity for the differential railway rate disappears somewhat.

10444. *Mr. Scott.*] Is your firm fully equipped for turning out all kinds of joinery ?—We are fairly well equipped—that is, for present demands. For what we are turning out at present we are well equipped.

10445. But it is not long since you took up this business ?—Not very long.

10446.—Supposing there is an increased tariff after a time, would you raise your prices for joinery ? Is there any chance of the prices being raised ?—I think not. I mean to say with the competition that we have in the joinery that is made at present.

10447. Is there much competition in that line of business ?—It is very keen.

10448. Does your firm make windows at present ?—Yes.

10449. All kinds ?—Yes.

10450. So you are quite satisfied with the present tariff on windows ?—Of course as I explained a little while ago, the windows we are turning out are superior either to the American or the Swedish windows, and we deserve to get a little higher price for them.

10451. The public get a better article ?—That is it.

10452. With regard to these cheap imported doors, did I understand you to say you preferred a rated tariff—so much per door ?—In my statement I have only put a maximum duty of 25 per cent, but with a view of shutting out the foreign doors I would prefer to see a rated tariff of so much a door.

10453. Just with the object of shutting it out ?—Yes.

10454. Do you think the firms in this town could produce a suitable article equal to the imported ? What is your opinion with regard to that ?—The doors we are making now are certainly far superior to anything that is imported.

10455. In what respect ? Is the timber better seasoned or what ?—The seasoning is better, and altogether the manufacture is better. We get Swedish doors out now with the panels made up in three or four pieces, which we do not put in the colonial made article.

10456. Your contention is that the colonial made article is worth more money, but on account of the cheaper door coming over the sea you cannot get the trade ?—That is right.

10457. How much more would the consumer have to pay if the duty were increased ?—Very little more.

10458. What is the 25 per cent. on a door ?—Only about 1s. 6d.

10459. I suppose that is a door costing about 6s. ?—Yes.

10460. With regard to flooring boards, you suggest a duty, I think, of 15 per cent. to 20 per cent. ?—15 per cent. would only allow us to produce it at about the same price. If the flooring comes in with the 15 per cent. duty, which is about £1 7s. per standard, the flooring would be laid down here for about £14 16s. a standard. If we import the raw material and pay a duty of 3 per cent. on it, with the manufacture here I estimate we will be able to put it down for about £14 10s., or 6s. per standard less.

10461. Supposing the consumer had to pay the duty on the flooring, how much would it amount to per hundred feet ?—Taking the whole duty of 15 per cent. it would make a difference of about 7d. per hundred lineal feet.

10462. Are there any firms manufacturing flooring at the present time ?—Yes.

10463. So there is machinery in the city at present ?—There is machinery in several mills.

10464. Is that machinery fully employed just now ?—Anything but that.

10465. There is a lot of it standing idle ?—Yes.

10466. Are you aware if there is much special flooring made in the city at times ?—Special flooring is all made here.

10467. You are now referring to the imported flooring ?—Just the imported flooring.

10468. Is there any possibility of the price coming down with regard to the flooring if the price of the timber falls ; will you be able to reduce your price ?—Certainly. The price would correspond to the price that we paid for the raw material.

10469. What was the duty on flooring prior to the last Convention ?—I think 15 per cent.

10470. It was 10 per cent. With regard to those tariff rates you have sent in, are these the opinions of the timber trade?—At present I think I can safely say the majority of the timber trade in Cape Town are in favour of this tariff.

10471. What do you mean by the majority of the timber trade?—That is the timber merchants engaged here would favour a policy of protection.

10472. The majority of the people in the timber trade would favour your tariff? —Yes.

10473. Coming to boxes generally, would you favour the planting of timber for the making of colonial made boxes?—I think a move in that direction should be undertaken as quickly as possible; the attention of the Government might be drawn to the necessity of it.

10474. Of course you have not had any experience of the poplar wood, I understand?—We have not touched that at all.

10475. Still, you think the poplar would be useful for box-making?—Undoubtedly. It is quite a suitable timber.

10476. Do you mind telling us how much you offered for the trees per foot?—I offered 4½d. a foot.

10477. And how old would they be?—That is for a diameter of 9 in., and proportionately more for the greater diameter.

10478. Taking a tree about 60 ft. long, that would be worth 22s. 6d.?—Quite that.

10479. After all there is some truth in a tree being worth 20s.?—Yes.

10480. We had a witness who told us 3s. was all he could get for a tree?—I am quite prepared to give the price I have mentioned for the poplar, 4½d. a foot, 9 in. in diameter, and proportionately more for the greater diameter.

10481. *Chairman.*] That witness said he would sell the trees at 10s. each?—I would like him to come our way.

10482. *Mr. Scott.*] You said people were carrying boxes on deck of the vessel?—Yes.

10483. What happens to them then?—They are liable to damage and get saturated with salt water, and if the fruit farmer is very anxious to get his boxes free from odour or contamination of any kind one is rather surrised at that mode of shipment being adopted.

10484. They get covered with coal dust?—Yes.

10485. We have it in evidence that the boxes made in Cape Town are dirty, black, rubbishy things. Is that the case?—A year ago fruit growers certainly had reason to complain. There was no suitable timber available. But if they will only come to us and trust us, the same as they do the manufacturer on the other side, and enable us to buy the timber to advantage months before and season it, we shall be able to do better for them than obtaining their boxes oversea.

10486. *Mr. Scott.*] Mr. Younge, do you agree with the statements made by Mr. Yallop?—*Mr. Younge.*] In the main, yes.

10487. Is there anything you wish to tell us particularly in regard to the business?—No, I cannot say there is. We endorse Mr. Yallop's statement in the main. Any questions arising out of that I should be pleased to answer.

10488. Can you tell us how many boxes your firm is prepared to turn out?—As regards fruit boxes, taking a fair proportion of all the sizes, we reckon we can put out about 3,000 per day with the present plant.

10489. What sort of men are employed in getting out the boxes? Are they skilled or unskilled?—Chiefly skilled, and boys of course to wait upon the machines.

10490. From your knowledge of sawing, could unskilled labour produce such fine work as the pieces of boxes produced?—No.

10491. So it means skilled labour?—Yes, and white labour.

10492. Principally white?—Yes, on the saws for boxmaking of that description, all white.

10493. Is the printing done satisfactorily?—Very satisfactorily, so the customers say.

10494. Is this a sample of the printing you are prepared to do?—Yes. That has been done by the machines put down.

10495. When witnesses say you cannot print or stencil that is not the case?—That is an example of what has been done on colonial grown wood.

10496. Can you turn out thousands of boxes with that brand on?—Yes, or any other brand.

10497. Can you put a highly artistic brand with two colours?—It could be done.

10498. Is your firm equipped with regard to joinery?—Yes, to make joinery of practically all descriptions for houses and house-building, church furniture and things of that sort.

10499. Do they press for high tariffs as a rule; is that generally the desire?—No.

10500. You are not pressing for a special rate on cheap doors, for instance?—Not a special one, but from 20 per cent. to 25 per cent. would be helpful.

10501. To shut out those cheaper American and Swedish doors?—Yes. Practically all the doors coming into this market are from America.

10502. Would that give any additional employment to labour?—Yes.

10503. Have you any idea of the number of men employed just now compared say with two or three years ago in normal times?—The wages bill just now is only 25 per cent. of what it was four years ago.

10504. Is that caused by the depression?—Undoubtedly.

10505. So, if you had more of this manufactured joinery, you would give additional employment?—Certainly.

10506. What chances are there of the prices being increased if the tariff is put on? We have been told the prices would go up immediately the tariff was increased. Is that so according to your experience?—The local competition is too keen to prevent a large margin of profit.

10507. Have you anything else you want to tell the Commission?—I do not think so. As regards the present tariff, as to the manufacture of wood goods, it has been a little helpful but not sufficient. As evidence, we might call attention to the Customs returns, which show the rough timber imported during the last nine months ending the 30th September as having increased, whereas all kinds of manufactured goods have decreased enormously, showing there is more manufacturing done now, in proportion, than previously.

10508. Is there any other point?—I think there is nothing else.

10509. *Mr. Kayser.*] Mr. Younge, I understand you agree in the main with what Mr. Yallop has said?—Yes.

10510. Do you agree with his statement regarding the poplar—that you get about 22s. 6d. a tree?—I am not able to say at the moment what we pay for poplar. So long as we get it at the same price as we can import boxwood for certain classes of material we take it.

10511. Do you agree they could get 22s. 6d. for a tree—4½d. a foot, 9 in. diameter?—I am unable to say.

10512. Mr. Yallop, what size does a poplar tree usually grow?—*Mr. Yallop.*] They average about 25 feet.

10513. So it is not possible to get poplar 9 in. in diameter, 60 feet long?—My price was 4½d. for 9 in. and proportionately for greater diameter.

10514. Is it within the bounds of possibility that a poplar tree can grow 60 ft. high, 9 in. in diameter?—You can get it 25 ft. high and 24 to 30 in. in diameter.

10515. Is it within reasonable possibility for poplar to grow 60 ft. high, 9 in. in diameter?—With the cubical feet in the tree, to give 22s. 6d., yes.

10516. You said you would pay 4½d. per running foot for a tree 9 in. in diameter?—Yes. Of course you have the trunk and branches.

10517. Can you secure poplar 60 ft. high, 9 in. in diameter?—I will answer that by saying no, but it is possible to get a tree which will give you a cubical contents to give you 22s. 6d.

10518. You said to Mr. Tod, I think, that to make boxes to the value of £40,000 you would require 200 hands, and the average daily wage would be 9s. a day?—I altered that. In giving comparative figures of that kind one is likely to be wide of the mark.

10519. Is that correct—200 hands at an average wage of 9s. a day, and if not, will you make it right?—We know that in the output of boxes to the value of £50,000 you will spend £20,000 to £25,000 in labour.

10520. You said 200 hands at 9s. a day on the average. Are you correct in stating that it takes £27,000 to put out £40,000 worth of work?—Not so much as that. One is likely to give in an offhand way figures which one cannot always piece together.

10521. These figures are given in an offhand way?—They are approximate.

10522. You say to-day you are employing fifteen men making boxes. Will you tell us how many of those are white men?—All except three.

10523. Twelve white and three coloured?—Yes.

10524. And they turn out only a thousand boxes a day?—You want to bind me down to exact figures; it is a thousand or more.

10525. You also made a statement I was rather surprised to hear. You said the imported boxes of course had to pay the freight. Do not you pay the freight on the raw material you import?—Of course. I think you must have misunderstood me.

10526. The debit occurs both ways?—Yes.

10527. The only difference is in the difference of the duty on the boxes?—Freight is paid on all commodities which are imported.

10528. Do you usually import your boxes on deck?—We have done.

10529. Do you pay a lower rate of freight?—Yes.

10530. Has that been the usual custom?—Yes.

10531. And the rate is what?—It has been 43s. 4d.

10532. It is exactly the same freight as the timber?—It all depends if the timber comes on deck.

10533. We are talking of on deck?—There is no danger in bringing out the timber on deck, but there certainly is with the boxes on deck.

10534. As a matter of fact the boxes are shipped under deck at the 65s. rate?—Yes.

10535. Which is the same for timber if it comes under deck?—Yes.

10536. You say in your statement: "With a protective tariff prices would be reduced from oversea?—Yes.

10537. Will you explain that?—I do not know whether you are aware that as far as the manufacturers oversea are concerned they have their committees. They meet from time to time and they regulate their prices, both in America and Sweden. The "American Export Monthly" has this remark: "Doors and windows, ruling prices are fully shown in our prices current. Sashes and doors are unchanged. Our Cape houses can furnish full particulars as to the ruling prices . . . The American makers will now allow an extra 3 per cent. to compensate for the preferential Customs Tariff at South Africa on South African made goods." I say the American manufacturers can price their goods accordingly, and in order to compete against any preferential tariff that we put on they will do this sort of thing; they will bring down their prices to compete with us.

10538. Do you want us seriously to believe that that argument will hold good with this?—Yes.

10539. Do you seriously want to tell us that the demand from South Africa is going to affect the markets of the world in joinery?—Certainly. We know it as far as the deal market is concerned—that when the demand falls off from South Africa it has made a material difference in the price of deals there.

10540. Do you mean that you in South Africa are paying higher prices for doors than the world's market?—I do not say that, but this clause will not apply to England.

10541. You agree that you do not pay more than the world's market for your doors?—No.

10542. Therefore how could you expect to get a lower price than the world's market if a duty were put on here?—Except for things shipped to South Africa.

10543. With a protection of 20 per cent. you think you can manufacture doors to compete with America?—No. Twenty-five per cent. protection will give us this advantage that our own manufacture will go as against the imported. The difference in price will not be sufficient to enable the imported door to be sold.

10544. Is your own manufacture only superior by 10 per cent. on 6s.?—I would like to see the other tariff.

10545. You have made a statement that your own manufacture will go with the 10 per cent. additional duty, and I ask you a plain question: Is your own manufacture only worth a difference of 8d. per door on a two-eight, six-eight, one-and-a-half door?—It is worth more than that.

10546—Yet you maintain the difference will enable you to sell your door?—It will help.

10547. As a matter of fact it would be impossible to compete with the cheaper class doors unless you had a duty of 50 per cent?—If we had all our machines going, and had experienced men looking after them, we would be able to bring down the cost of production, and the cost of producing a door would be considerably less than to-day.

10548. Is your cost likely to be as low as a country which has the wood at its door and the world's market to cater for, you having to import your material?—The material enters very little into the manufacture of the door; the value of the material is only small.

10549. Will you tell us how much material goes into a door—what the value is?—Twenty per cent. to 25 per cent. of the cost.

10550. Will you tell us what you can make a two-eight, six-eight, one and a-half door for?—In quantities at 12s. 6d. to 15s.

10551. Which?—It all depends on the quantity.

10552. Say what quantity?—Five hundred doors would be 12s. 6d. each.

10553. And how many at 15s.?—Fifty.

10554. And a less number?—Proportionately more.

10555. With regard to the cheaper living without protection, as arranged on its present basis, I was not altogether satisfied with your answer to Mr. Tod. What do you mean ?—I mean if we are going in for protection at all it must be whole-hearted protection ; there must be no half measures at all—no protecting one particular class as against the other. If we were under a free trade system altogether, and foodstuffs were brought in at low duties, living would be cheaper and workers would be content with smaller wages than they are getting now.

10556. That is quite clear, if it were not for the effect on others. You agree that foodstuffs should be taxed so as to protect the farmer ?—Yes, and therefore we want protection also.

10557. How can you have cheaper living ?—It is only amplifying the fact that where you have protection in one corner you want it all round.

10558. Your argument is that with cheaper living you will be better able to compete, but in answer to Mr. Tod you said you were quite in favour of the farmer having a protective duty on the things he grows ?—Yes.

10559. How will you get cheaper living ? Does it mean anything ?—It certainly means that we cannot manufacture unless we are protected.

10560. You say : "Manufacturers would be in a better position to compete than they are now" ?—Take England, which is a free trade country, with foodstuffs coming in free. The labour there is cheaper.

10561. It is no good talking of foodstuffs coming in free when you agree to their being taxed. You mean if foodstuffs are free you can live cheaper ?—Yes.

10562. Then the protection now is going to make living dearer ?—No. You have protection in foodstuffs already, and living will not be made dearer.

10563. Now you want manufacturers protected, and a man will have to pay a little more for having what he wants ?—If we have to charge a little more we will give a better article, but on the other hand that also cuts two ways, because we have to keep machines and workshops here for doing any special work that is called for, and this costs more than it ought to do if the shops were always fully employed.

10564. I am sorry you put so many "if's." Of course it is not possible to manufacture more cheaply unless you can get the duty on foodstuffs removed, is it ?—It is possible to manufacture cheaper.

10565. And yet you state here that with cheaper living you might be able to do better ?—Yes.

10566. And yet it is possible even now with the high duty on foodstuffs, in your opinion ?—You will not have me tell you how it can be done cheaper. Manufacturing in small quantities it is not possible to manufacture cheaply. If we have the large bulk of the work to do and employ our special hands (to whom we have to pay a higher rate of wages) to superintend a number of other machines working on the same thing—we can employ our boys on the manufacture of that article and by those means the cost of production will be lessened.

10567. And if the whole of the wants of South Africa were manufactured in Cape Town that would be possible ?—Cape Town will not manufacture the whole of the South African wants. Our factories are large enough to do the work required at our own centres, but not as far as South Africa is concerned.

10568. You say you would have no objection to the preferential railway rates being removed ?—While the up-country towns are not able to manufacture they might well remain, but later on, if they are in a position to start their own factories there, it will be a hardship for them if we have that advantage.

10569. In that connection, you said something about the stocks at Kimberley. Do you know anything about the stocks held there ?—Yes.

10570. Do you say they hold no stocks there ?—I was up there barely twelve months ago, and found the stocks of joinery and wood goods very small.

10571. In the hands of dealers ?—Yes, and they gave me their opinion that it was better to get the joinery direct from the coast and put it right into the buildings, rather than have it lying about in the stores.

10572. The dealers do not put the joinery into the buildings. You are referring to the builders, I suppose ?—And the dealers also. The dealers do not hold large stocks of joinery there. I was surprised to find the stocks were so small.

10573. You say the dealer does not import, but gets it from the coast ?—I believe so.

10574. As a matter of fact he imports very largely ?—There were no large stocks in Kimberley at any of the houses I called upon.

10575. With regard to your boxes, is it a fact that you have had no complaints with regard to them ?—I have admitted we have had complaints.

10576. You said it was some time ago ?—Yes.

10577—Have you had any complaints within the last two or three months ?—Sometimes we have complaints, and I must say we are simply in the hands of the people up-country. If a few cases of wood are not correctly sawn, you will have those sent down, and probably a claim made on the whole of the consignment you have sent forward.

10578. That has occurred ?—Yes.

10579. The wood has been returned because of not being properly sawn ?—Yes.

10580. Any other defects ?—Discolouration on the outside.

10581. Not the quality of the wood ?—No. The wood we supply is the same as you see here.

10582. Not in confectionery boxes ?—We have had about the sawing, but I think I am correct in saying not of the quality. We have had samples returned because the cutting was bad.

10583. You do not say what you want for joinery. You say a minimum of 15 per cent., with a maximum of 25 per cent. ad valorem. The Commission are left to judge what articles you want on the lower and higher basis, but I take it your idea is 25 per cent. on joinery ?—Yes, and 15 per cent. on wood boxes.

10584. Can you tell us the protection you have in the freight on joinery as regards the cost ?—I think I can show you the percentage of import charges on rough deals is considerably higher than on the made joinery.

10585. I want the freight on joinery itself. What percentage would the freight be on the value of the mouldings ?—I take it this way, that windows will cost 42½ per cent. to import ; doors, 46 per cent. ; frames and jambs, 46 per cent. ; and mouldings, 53½ per cent. ; and our rough timber costs us 70 per cent. to import.

10586. That is on the value ?—Yes.

10587. You deduct from those figures about 15 per cent. duty ?—Yes.

10588. Of course, that is not quite a fair percentage to take. In the first place, if you go into that you have to go into the value of the rough timber. What is the freight on rough timber ?—Just the same as the imported joinery.

10589. Is that so ?—Yes.

10590. You are quite sure of that ?—Yes.

10591. What do you mean by joinery ?—(No answer).

10592. By sailing vessels ?—Yes.

10593. But you gave the steamer rate in regard to boxes. As a matter of fact the rate of freight by steamer for timber is 65s. and for joinery 90s. ?—As an importer you would choose the cheaper method.

10594. By sailing vessel you have to take a different basis, because of the extra insurance and extra charges generally—interest and so on ?—I have given you a comparison of our actual imports.

10595. You tell me timber costs you more than joinery to import ?—Yes.

10596. But you have already paid for all the labour— the thing you want to protect. On a large article the percentage naturally goes down ?—I think it helps me as a manufacturer when I ask that a protective duty should be placed on the labour.

10597. What does timber cost ?—£9 per standard.

10598. And flooring ?—About the same.

10599. What would be your price per standard for mouldings ?—I have not worked it out.

10600. It is well known that the more expensive the article the less the percentage of importing, particularly on bulky articles ?—Yes.

10601. You bring in cart and wagon timber here. As a matter of fact we have had cart builders asking for the duty to be taken off altogether, and you suggest from 15 per cent. to 25 per cent. ?—I do that, as I say, with all trades. I think as far as the wagon and cart building trade is concerned they require the protection I have put there.

10602. They ask us not to protect at all, but to give them their stuff free ?—I do not think you will find that in the Western Province.

10603. What is the duty on cement to-day ?—1s. and 1s. 3d.

10604. What percentage is that of the first cost ?—About 20 per cent.

10605. You say it is reasonable to put a duty on ?—Yes.

10606. Which means that every building built with cement, or every reservoir or farm irrigation scheme, would cost more money ?—It is just my opinion.

10607. You do not manufacture cement ?—No.

10608. It would mean the farmer would have to pay more for his irrigation works. With regard to corrugated iron, as an importer I think it is a reasonable article to be taxed, but of course the reason that was put down was on account of the mining people. It would make a marked increase in the cost of mining buildings ?—It would make a difference to them.

10609. That is why corrugated iron was reduced ?—Yes.

10610. Do you say rain-water goods could be made in this country ?—I think so.

10611. Is it not a fact that large quantities of old iron are being shipped away now ?—Yes. All the foundries we have are struggling industries and not very large, and for years past have always been in that condition. They want protection.

10612. So that we shall have to pay more for the goods ?—I think we shall be better off with the protection than without.

10613. How do you propose to make up for the difference in the revenue if these certain imports are shut out as you want ?—If we agree to a small duty on the raw material that will help somewhat, and I hope by having a larger number of workmen than we have at the present time they will all be contributing to the revenue of the Colony.

10614. In what way—income tax ?—That is a point that might be studied. If you had a number of prosperous workmen here they would not object to an income tax.

10615. Who would pay the higher price—the consumer of course ?—The higher price would not be much. It would not be felt, and I maintain that the local supply would be better than they are getting now.

10616. Would it be as much as the increase in duty ?—No.

10617. I think that question was answered by Mr. Younge. He said prices would not go up. Naturally the prices of the articles you are manufacturing would not go up, but the imported articles would go up ?—*Mr. Younge.*] By the large increase of production the cost of production would be reduced, and there would be a greater number of people producing that article, which would tend to keep the price down.

10618. I ask if the price of the imported article would go up with the duty on ?—Yes.

10619. You want the duty to bring the price up to the price of your article ?—It would probably go down quickly enough.

10620. *Mr. Pyott.*] You say, "all articles of food, other than those produced in this country, should be free of duty." What articles of food are you alluding to ?—Meat is one.

10621.—Is not the price of meat cheaper to-day than three years ago when there was no duty ?—Yes.

10622. What is the cause—internal competition ?—Yes.

10623. What was your next point ?—Wheat and meal and flour.

10624. Which we are producing in this country ?—Yes.

10625. But you would protect it ?—I am quite in favour of protection, but I want protection for the other industries as well.

10626. You ask for the protection for your own industry, but are hitting at others which are produced in this country ?—I am only hitting at them in the event of our not getting protection ourselves.

10627. You admit that internal competition has reduced the price of meat even with the duty ?—Yes.

10628. Supposing you take away the duty on flour and wheat to-day, what difference will it make in the price of the poor man's loaf ?—Will it make any difference ?—I think it would.

10629. How much ? - That is a question not for me to answer. I am not in that particular line. We have seen the recent increase in the price of wheat and flour, and the price of the loaf has gone up here. I do not want to see the duties taken off, or the protection which the farmer enjoys. I want to give him all the protection possible, feeling that it is to the advantage of the Colony to do so, and I only mention that for the sake of emphasing the fact that what that particular industry—the farmer's—requires we also, as manufacturers, require.

10630. If you do not get protection on timber which is not grown in the country there should be no protection on wheat ?—We cannot have a half policy ; we must have the whole thing.

10631. Not even when we are producing wheat in this country ?—Of course I could give my reasons why the farmer ought to have sufficient protection as against the oversea product coming in, but what is the use of it ? I might argue that freight and charges are sufficient protection, which they are not.

10632. You cannot give me any idea of the difference in the cost of living to the poor man to-day supposing we had no duty on wheat in this country ?—Living would be proportionately cheaper.

10633. But you cannot tell me what the proportion would be ?—No.

10634. If I tell you it is one-sixteenth of a penny per pound ?—You may be correct.

10635. With regard to boxwood, I think you said that to produce a thousand boxes costing £8 10s. it would take fifteen hands ?—It is not fair to argue in that particular way, because it depends on the boxes. A box may be worth 4s. or 2½d.

10636. Cannot a man turn out a thousand at 1s. apiece as cheaply as a thousand at 3d. apiece ?—No, we cannot.

10637. I find that to produce £34,000 worth of boxes, according to your argument, will cost £28,627 ?—I would sooner go into that matter and give further particulars later on.

10638. I want to bring out this point. We are told that twelve men will produce all the boxes required in this Colony ?—That is absurd. We have not touched the fringe of the box-making trade in this country yet. I think I can safely say that with the quantity that has been imported ten or twenty times the quantity will be required in the near future.

10639. I would like you to send in a little information ?—I admitted at the outset that the smaller size box would run to about 50 per cent. of labour, and the larger the box so the proportion goes down. I would like to point out that here is a price list which was issued only a little while ago of imported boxes stocked by merchants in Cape Town, and to show you the difference in price then and to-day.

10640. *Dr. Viljoen.*] When was that ?—I find I have torn off the date. It is only about a year ago. They are supplied very much lower to-day.

10641. What is the difference in the value of imported boxwood to-day and two years previously ?—It is dearer to-day if anything.

10642. Owing to the advance in timber ?—Yes. These boxes should have been cheaper then than now.

10643. *Chairman.*] We had it stated here by a witness to-day that the principal opposition to this duty will be withdrawn if you are prepared to take a contract at the price quoted at the present time. Will the timber merchants quote for one or two years at the price quoted ? £8 10s. is quoted ?—I would not quote beyond a coming season for boxes, not at any time.

10644. Would you for the next twelve months ?—Yes.

10645. You are prepared to accept orders for the next twelve months ?—Yes ; in fact I would like to have them twelve months ahead so that we can arrange for our timber. If we have some indication as to the probable quantities of boxes required for this market, and can make arrangements for our timber months ahead, we can do far better than we have been doing lately.

10646. One gentleman here says he will withdraw all opposition to the duty if you will accept contracts for a certain period ?—The Swedish manufacturers will not hold quotations open for you for three months.

10647. *Dr. Viljoen.*] Will you accept the contract for three years, with a market fluctuation of 10 per cent. up and down ?—We do not know. I have pointed out that the fluctuation has been as much as 50 per cent. in the price of deal. We are now paying £9 per standard as against £15 10s. for deals three years ago for that quality.

10648. Wood is cheaper to-day ?—Next season we may have to pay £12.

George Kinness, of T. H. Dick & Co. (South African Lead Works), examined on the following statement submitted.

"With reference to our industry and the present tariff, unfortunately for us at present there is no duty on the materials we manufacture, viz. :—

"LEAD PIPE, COMPO GAS PIPE, AND SOLDER.

"These goods *made in Britain are duty free* into this Colony. We have great pleasure in giving you the information asked for, however, and sincerely hope your association will be able to assist us in procuring a little protection against the oversea article.

"In the first place, our machinery is capable of turning out 30 tons per month, and since we started this industry here, just over four years ago, we have never been called upon to turn out anything like this quantity in one month, owing to our having no protection. Our materials are manufactured from *lead and tin*, which used to be sent Home *and re-manufactured there*. During the year ending 1906 there were no less than *140½ tons of lead sent out of the Colony* to Home and foreign ports, and during the same period the lead pipe imported amounted to 94 tons.

"Now, if there had been a protective tariff in force, we should have been able to supply the *whole of Cape Colony* by purchasing the lead sent Home, and at the same time have given employment to a number of extra men during the whole year. Further, the fact of our being here has actually been the cause of a reduction in the price of these materials all round. Lead pipe costs about £1 10s. per ton more to land here than sheet lead, and consequently used to be higher in price locally. We know of one large firm in particular who still import lead pipe and sell it at practically landed cost—in fact, cheaper than their sheet lead. This we have had to contend against all along ; although, at the same time, we have pleasure in stating that we supply the majority of the merchants and plumbers in the Colony, but even this, during the present depressed state of trade, is not sufficient to keep us going. We take the liberty of enclosing testimonials received, which we think sufficiently guarantee the quality of our manufactures.

"We consider that the minimum protection to enable us to compete successfully against the oversea market is, at the very lowest, *15 per cent.* on these articles. We may also frankly state that the very existence of this industry depends on our being given protection if we are to keep going : and if the importing was stopped we should certainly be able to do so, and that without costing the users one fraction more.

"As to railway rates, we are afraid we can hope for little assistance in this line. We have a slight benefit on the C.G.R. on materials going outwards *already manufactured*, but would suggest that lead

consigned to our factory from up-country should be put on a more favourable basis, *i.e.*, that lots of less than truck loads should be conveyed to Cape Town at the tariff rate for trucks of ½d. per ton per mile. In support of our contention we would point out that the cost of handling lead, and the space taken up, is small compared with other metals per ton. We have repeatedly lost fairly large quantities of lead from this cause, and it invariably has been shipped Home from other ports."

10649. *Chairman.*] Have you anything further to add to your statement?—There is one correction I would like to make regarding the latter part of my statement about railway facilities. I said, "Lead consigned from up-country should be put on a more favourable basis, *i.e.*, that lots of less than truck-loads should be conveyed to Cape Town at the tariff rate for trucks of ½d. per ton per mile." That is a mistake. The tariff rate for lead in truck-loads is 1d. per ton per mile. Scrap iron is ½d. per ton. I am really paying double for lead coming down, and have repeatedly lost lead through it. I have tendered for lead in Johannesburg. The other day the Post Office and Telegraph people had about two tons for sale at Kimberley, and it was useless my tendering for it, because the freight down here kills it. It is cheaper to send it to East London.

10650. Are there any other manufacturers of lead pipes in the Colony?—No; I am the only one.

10651. Do you think it would be an advantage to South Africa to give this extra protection on lead pipes? It might be all very well in the Western Province, but would not the cost of carriage to the Eastern Province make it a heavy tax on that part of the Colony?—No. I am competing there now although not altogether successfully, though I do not see why I should not be able to compete. As it is, I am only keeping my machinery going half speed. I can manufacture 30 tons a month, and am only manufacturing now an average of about 10 tons.

10652. What will the cost be in a place like East London, from here or oversea? I suppose you deliver by sea?—Yes. My usual quotations are c.i.f. at the ports. I forget the freight. The freight to Durban is 30s. per ton from here. They get it from England for a little more than half as much again: I would rather come back again if possible with these particulars correctly. I have not the rates in my mind.

10653. It may be all very well protecting you for the Western Province, but would not the other parts of South Africa have to suffer for it?—Do you mean the other Colonies?

10654. The other Colonies and the Eastern Province?—I think we should have opposition in the Transvaal My agent told me last week that they are thinking of starting the same industry there. Until now there has not been much lead piping used in Johannesburg, but with the drainage going in there will be a great deal used. I believe before the war there was a lead factory in Johannesburg; it has been stopped since. They are sending lead Home from the Transvaal and Rhodesia every month.

10655. *Mr. Pyott.*] What is it you ask for—an increased duty?—There is no duty at all.

10656. Do you want a duty on?—Yes.

10657. How much?—15 per cent.

10658. 15 per cent. on manufactured lead pipes?—Yes.

10659. You are getting your raw material in the country?—Yes.

10660. You do not import any?—No. Before I started there was far more sent Home then there was pipe imported, because the scrap procured in the Colony includes sheet lead as well as pipe lead.

10661. Do you want the 15 per cent. on sheet lead?—No; piping only.

10662. And then you want the raw material to come in free?—Yes. We can get sufficient in the country. Last year there were only 90 tons of piping imported and 140 tons of lead sent Home.

10663. Is that the production of the country or old lead?—Old lead principally, but also cuttings off the sheet lead.

10664. It is your suggestion that there should be 15 per cent. on lead compo gas piping and solder?—Yes.

10665. Why on solder?—Because it can be manufactured here. It is simply a mixture of lead and tin.

10666. You would have to import the tin?—Yes. The lead could be procured here.

10667. Would you have any duty on tin?—No, I would not suggest any duty on tin.

10668. Your great difficulty at present is with the railway rates?—I have no protection whatever.

10669. Your suggestion is to have 15 per cent. duty?—Yes.

10670. Your difficulty is with the railway rates for bringing down old lead?—Yes. In my letter I have said it is ½d. per ton per mile, but instead of that it is 1d.

10671. For truckloads?—Yes.

10672. Supposing you bring a smaller quantity ?—2d. per ton per mile is the ordinary rate, and 1d. per ton per mile when consigned coastwards in truckloads of not less than five tons. It is very difficult to get a truckload in one place. They have it lying in all the villages, but the cost makes it prohibitive to bring it back.

10673. Old iron is carried at ½d. per ton per mile, and you think your lead should be carried at the same rate ?—Yes, or even at a lower rate, because old iron is very difficult to handle and soon fills a truck, whereas lead will fill it four or five times its carrying capacity.

10674. The lead is, of course, more valuable than old iron, and rates are charged according to the value of the goods. Still, it is your suggestion that we should carry the stuff at a lower rate ?—Yes ; I do not see why I should not be placed on the same basis as scrap iron from my point of view and make it less than truck loads, as it is almost impossible to get a truck load of lead in any one place.

10675. You say to Durban is 25s. ?—I am not correct on the point.

10676. How does the rate to East London compare with that from England ?—About the same price.

10677. You have to pay nearly as much for your freight from Cape Town to Port Elizabeth as the man sending from England ?—Very nearly. In addition to that 140 tons of lead sent Home last year one firm in Cape Town have nearly twice that amount in stock now, and they cannot get rid of it.

10678. Cannot you buy it ?—I cannot pay the price they want. I cannot get the outlet in pipes. As soon as lead comes down here £1 or £2 a ton the merchants buy a stock of it.

10679. *Mr. Tod.*] Can you use the lead as it comes from the mine ?—Not at present. I can get sufficient old lead.

10680. If that supply ran short could you work the lead from the mine ?—I could do it ; I have the appliances for working it if necessary.

10681. Could you not use any of the tin ?—I have written for a sample of the tin from the tin mines, but up to now have not been able to get a satisfactory reply. I think they have an agreement with some firm at Home to take all their output, and as there is not sufficient tin used here to use anything like their output I could not possibly compete with the Home firm.

10682. You say the South African demand is not sufficient to absorb the output of the Kuils River tin mines ?—I do not think so.

10683. Do you know the total requirements for lead piping ?—I only have it for Cape Colony. There were 90 odd tons of lead piping imported last year.

10684. How much sheet lead ?—Over 500 tons I think.

10685. You melt down this lead and make it into sheet lead again ?—No, only lead pipes. It is drawn out by hydraulic pressure.

10686. You state here with regard to this firm that they are practically selling the piping at less than it would cost for sheet lead ?—Yes.

10687. How do they sell it for less ?—Because they are competing against me for all they are worth.

10688. You say in spite of that you are still supplying the majority of merchants and farmers in the Colony ?—Yes, but even then my output has dropped pretty nearly one-half.

10689. What other market do you expect to get ?—I want to get the whole South African market if it is possible—not only myself, but there will be other places opening up. A letter I have from Johannesburg tells me some firm is thinking of starting.

10690. Then you would not have the chance of their business ?—No, but still, if I can get it in the Colony it will make up for that.

10691. What is the value of a ton of lead piping ?—About £20.

10692. What would be the value of the labour of making it, approximately ?—It is mostly done by machinery. I have six men just now. If I could turn out twice the quantity I do I could do it so much cheaper.

10693. I suppose a dozen men, with the machinery, could make all the lead piping wanted for South Africa ?—Usually.

10694. *Mr. Harlow.*] Do you know the quantity of lead piping imported into this Colony during the nine months ?—I have the quantity for the twelve months.

10695. 1906 ?—Yes. That is 94 tons.

10696. You do not know what it was for this last nine months ?—No.

10697. It was 1,352 cwt. Supposing this duty were put on, could you deal with that amount ?—Yes. There is lead being sent Home practically every month by the dealers round about here. In addition to that one firm sold me over a hundred tons in one year two years ago. The railage makes the price a good deal more than I can get the scrap for, so there is no necessity for my buying more at present.

10698. Do you think in the event of the 15 per cent. being put on the price to the consumer would it be in any way raised ?—No, I am sure it would not, because I can do it cheaper.

10699. It would not pay another firm to open up in competition for the small amount required ?—It is my business to work against the imported article as far as I can. If I put up my price it opens the way for competition, but it would not be to my advantage to raise the price by 1d. As a matter of fact the prices have been reduced a good deal since I started.

10700. What protection do you get on the freights from oversea ?—It is a certain amount of protection, but it does not anything like make up for the extra I have to pay in the production.

10701. How many men have you employed ?—At present six men and an office boy.

10702. White men ?—All white except one coloured man for firing.

10703. Do you think you could employ any more provided you had this tariff on ?—Yes. I could keep my machinery going steadily if I had double the output. At present I am only making piping three days a week, and the balance of the time the men are hanging about and cleaning up the place, etc.

10704. Could you deal with this lead that is being mined in the Prieska district ? —If necessary, if I had sufficient cause to do so—if the other lead was not sufficient to keep me going.

10705. Have you seen the samples of ore from there ?—Yes.

10706. You think you could deal with it as it comes from the mine ?—No. The lead would have to be extracted from the ore in retorts, but I do not see any cause for that not being done. Until now I have had no cause to do it.

10707. *Mr. Kayser.*] Are you not underselling the imported lead piping ?—It all depends on the market.

10708. To-day ?—I cannot do it with the market to-day ; the market has dropped.

10709. You sell your lead at £21 a ton ?—Yes.

10710. Is not the usual price for lead piping 25s. per hundred pounds ?—Until recently it was. It is £18 per long ton at home.

10711. You say only 94 tons were imported in twelve months ?—That is in addition to what I have been making. Even with what I have been making there is not sufficient to keep me going.

10712. Is there a larger demand ? You say frankly that you have supplied the majority of the merchants and farmers in the country, so there is not much more trade to get ?—There is the trade of those who still import.

10713. What was your output last year ?—That I cannot tell you without looking it up.

10714. Are not the stocks which are competing with you stocks which have been been imported before ?—According to this they have been importing now. I have been in existence for four years. The point is that if I have to close down the price to the consumer will have to go up again. When it was £18 per ton it used to retail about 27s. 6d. per cwt.

10715. *Chairman.*] How long have you been in business ?—Four years.

10716. You have made your business pay ?—I have made it pay in so much that three years ago I had a book-keeper, and I paid him £20 a month and commission, and since then I have had to do everything myself and cut down to the last penny, and if it gets much worse I shall have to close up.

10718. That is on account of the depression ?—And other people still importing. I might say I sent a consignment of gas piping to the manager of the South African Lighting Association at Port Elizabeth. Here is the letter I have received from him (producing same). He distinctly states that my lead piping is superior to his imported piping. Here is the Gas Company in Cape Town, and I get no opportunity of supplying their requirements.

Thomas Bolton, Stone Mason (representing the Operative Masons Society), examined on the following statement in connection with the Stone Trade.

“This industry, up to the present, hes been placed at a great disadvantage by the excessive railway rates charged on rough quarried Colonial stone. Its present class is “C. 18,” and its rate ⅓d. per ton per mile, plus 1s. 8d. per ton terminal charge. I would suggest that it should be placed in ‘ C. 24,” viz., ¼d. per ton per mile and 10d. terminal charges, or a point to point rate of 1s. per cube foot : contents of truck to be charged for only, and not the carrying capacity as at present, for the following reasons :—

The present rate of carrying one cube foot of stone from quarries to Cape Town is 2s. 6d. This rate makes the use of Colonial stone almost impossible, and a much inferior foreign stone has been imported. The amount of imported stone for building purposes in recent years has amounted to the approximate quantity of 132,000 cubic feet. If more favourable rates were charged we could hope to compete with some success with the imported Terra Cotta with which many buildings in South Africa have been erected in recent years. The amount of this material imported to Cape Town only is 125,000 sup. feet.

In support of these arguments we would point out that, if you grant the reduced rate, it will have the tendency to permanently establish a purely Colonial industry which at present finds employment for a large number of skilled artizans, and this would also improve the quality of buildings erected in our town."

10718A. *Chairman.*] The evidence you wish to give is affecting the railway rates? —Yes.

10719. Have you anything to add to your statement?—Only that I think the request is a very reasonable one, and I think the terminal charges could certainly be done away with completely.

10720. *Mr. Harlow.*] Do you think this C 24 rate would pay the railways for carrying the stone from the quarries?—I think so, for this reason: the stone that is usable for the buildings is deposited in this country a long way from the centres of population, and the position where it lies and where it would be used is such that the trucks have to pass back to their terminal empty; and I think if the trucks were loaded with the Colonial stone it would be a source of revenue to the Railway which at present they are losing.

10721. In reference to this rate of carrying a cube foot of stone from the quarries to Cape Town, have you had experience in carrying stone?—Twenty years' experience in South Africa--eleven years in Cape Town.

10722. Can you give us the exact place you carry it from, where it costs 2s. 6d. per cube foot?—Contat Siding to Woodstock Station.

10723. With regard to the terminal charges at Woodstock Station, are you allowed to use the crane?—The crane has only been put there recently.

10724. Does the importation of stone affect you at all?—Yes. It has affected us in late years to the extent of 132,000 cubic feet of stone which has been imported into Cape Town alone—principally from England.

10725. What class of stone was it—as good as you get in Cape Town?—It is proving itself to be very inferior.

10726. Have you as cheap working stone here as they import from oversea?—Yes.

10727. How does it compare with the cheaper imported stone in wearing capacity?—It is far superior.

10728. To anything they can import?—To anything they have imported.

10729. Do you mind mentioning some buildings which have been built from the imported stone?—The City Hall, the Colonial Mutual in Adderley Street, Carlton Buildings in Parliament Street—the dressing is all imported stone—and the Post Office, and several small doors and trimmings to residences in the suburbs.

10730. Are any big buildings in Cape Town being executed with the colonial stone?—The Free Dispensary in Buitenkant Street was built with colonial stone, which I think compares very favourably in the working cost, and is far superior in weathering qualities to the imported stone.

10731. Can you tell us what stone the Post Office and Art School are built with? —Saldanha Bay stone.

10732. Does that compare favourably?—Yes.

10733. Is it good for wearing capacity?—I think it is better selected. The building we are in now was built out of colonial stone from Palmiet River (Harbour Board Building).

10734. Would you propose any duty on the imported stone?—I think it is the wrong way to get redress, because you do not cheapen the article in the market.

10735. Do you think it would tend to stop the importation?—I think so. If there was no advantage in price in importing it they naturally would not take it; it would not make it cheaper to the user.

10736. But it would tend to keep out the imported?—Yes.

10737. And the colonial stone being better class stuff, there would be a tendency to use that?—It would have that tendency, and also have a tendency to preserve the labour that is placed on the rough stone in the Colony, instead of being done oversea.

10738. Is the terra cotta all imported from oversea?—Every bit.

10739. Do you know anything of the price of it compared with stone?—No.

10740. Do you propose any tariff on that?—Yes, because I think if they want terra cotta it can be made here.

10741. You think it will protect the colonial maker?—Yes.

10742. And also have a tendency for the use of stone?—It would encourage the stone trade.

10743. You say 125,000 super feet have been imported into Cape Town alone?—Yes. Those figures are well within the mark too.

10744. What period does this cover?—About four to five years.

10745. This figure of 132,000 cubic feet of stone?—Dates back to the commencement of the City Hall, which is about seven years—since the very first; it was hanging a long time.

10746. Can you say how many skilled mechanics this would affect?—There are about 600 of us employed in Cape Colony at present.

10747. All white?—There is one black man in Cape Town.

10748. I suppose a number of these are married men with wives and families?—The majority of them are.

10749. Do you know of any other place in the Colony where stone has been imported for use within recent years?—No. I have no experience of other towns on the coast.

10750. What about the docks at Simonstown?—It is Swedish and Norwegian and Batavian granite.

10751. There is plenty of granite in this Colony?—Millions of tons of the best in the world. The supply is inexhaustible.

10752. Has the granite been tested as to its wearing capacity and weight carrying?—It has had several tests. The graving dock in the Harbour Board docks is of Colonial granite, and the coping and piers round the House of Assembly, also the basement and boundary wall. The New York Mutual basement is Colonial granite. The South African Mutual is Colonial granite, and also the Australian building in Church Square and Rhodes' Building at the corner of St. George's and Wale Streets. The Southern Life in St. George's Street is being built with Colonial granite.

10753. Granite is more expensive to work than stone?—Considerably more.

10754. The most favourable free stone you can get is a long distance from Cape Town?—All the suitable freestones are in the neighbourhood of Queenstown. Of course there is a stone at Palmiet River, which is not far from Cape Town, but it did not prove itself a very kind sort of stone; it was very expensive to work.

10755. Is there any machinery locally to deal with stone?—Yes.

10756. So the industry is well established?—Yes. There are three contractors in Cape Town who have machinery.

10757. Do you know if the present tariff on marble has in any way given an impetus to your trade?—I do not think it has.

10758. You know what the present duty is?—15 per cent. I think on sawn slabs. That is such a peculiar way of putting it. If a block is sawn all round five sides and has one side rough it will come in at 15 per cent. You can generally build it in like that. I do not see why the stone should not be sawn here.

10759. You think if the stone is sawn on two sides it is quite sufficient?—Yes.

10760. Would you suggest any tariff on marble?—I think sawn marble should be 25 per cent. That would establish the sawing of the marble here.

10761. And worked marble?—You could not put too big a tariff on that. It is just a crime as it is. There are just as skilled men here as in any other part of the world, and it is a crime that these monuments and so on should come in.

10762. With the higher tariff would it interfere with the furniture trade, such as marble table tops?—It might make a fraction's difference to table tops, but the money for the labour would be spent here.

10763. Have you machinery here to do the table tops and polish them?—I could not say; I am not positive.

10764. Have you any reason why this present railway rate and terminals charge should be done away with?—Because the material is practically undamageable. If a truck got wrecked it would not hurt the stone. Besides, it requires no cover, and a rough truck is good enough for carrying it, and it does not hurt a truck so much as loading it with macadam.

10765. The local stone, I take it, is very hard?—Very dense. The Cathedral is being built with local stone. There is another job in Long Street which is being done in local stone, and Lloyds' place is, I think.

10766. That would make it very expensive?—It becomes very expensive if there are any mouldings attached.

10767. You did not tell us what rate you proposed putting on the imported rough stone?—I do not father the idea at all. I would rather we met the difficulty by reducing the railway rate. If we cannot do that there is no alternative but to put a duty on the stone.

10768. You think eventually the importation of this stone will die out?—I think it would die out if the request in regard to the carriage could be met. It is only a question of carriage.

10769. Supposing you got this reduction on railway carriage, do you think it would have a tendency towards the erection of more stone buildings?—It would reduce the cost of the raw material about 10d. a foot, and consequently would have a tendency to make stone more fashionable. Most people prefer to have a stone building if they want a good building.

10770. And it will last ?—Yes, if it is good stone. It is not at the City Hall ; you can see it perishing now.

10771. *Mr Tod.*] Are the imported stones imported dressed or rough ?—They have been imported in both ways, but mostly rough.

10772. I suppose that stone at the port of shipment has a very low value, so a 15 per cent. duty would not necessarily be much ? What would it be worth per ton ?—It is sold by the foot. In England it fetches from 2s. to 3s. per cube foot. There are about 12 ft. to the ton, which is 36s. per ton at the most. That is on the site of the building in England.

10773. What is the value of stone landed here from England ?—About 3s. 6d. to 3s. 9d.

10774. Including the duty ?—I believe so.

10775. About 48s. a ton ?—Yes.

10776. Where are your best quarries for getting stone in this country ?—The quarries producing most stone now in Cape Colony are at Queenstown.

10777. What is the present cost of getting a ton down here by rail ?--It costs in Cape Town about 4s. 6d. a foot. That is railage and first cost included. The first cost is 2s., which leaves 2s. 6d. for railage.

10778. You contend—I think with some reason—that stone can be carried at a very low rate ?—It is not perishable or damageable. No matter what happened to it, it could not be damaged.

10779.—As a matter of fact if you had a quarry of suitable stone near to hand here you would not want protection ? If the quarry was at Paarl I think the stone trade would need nothing, but it is just because the locality where we get usable stone is such a long way from populated centres that the cost runs up so very high.

10780. You would not suggest an increased duty on the imported stone, would you ?—If I could not get my request this way I certainly would try to prohibit the bringing in of stone, but I do not like the idea.

18781. If you got a lower rate you would be prepared to let the tariff stand as it is ?—Yes.

10782. What is your idea on the railway rate ?—My idea would be a point to point rate.

10783. What would you suggest from Queenstown to here ?—1s. a foot.

10784. They are at present charging you 2s. 6d. ?—Yes.

10785. That would be less than ¼d. a ton per mile ?--Yes.

10786. Of course we would have to get evidence from the Railway Department. It might not pay to carry at that rate ?—The Railway Department will tell you that it will not pay, because I have approached them on this subject several times.

10787.—That stone has to be hauled to a very high level—De Aar—before coming South ?—It does not follow there is no stone elsewhere, but the demand is so little that there is no inducement for a man to open up a new quarry.

10788. You are interested in encouraging people to go in for stonework ?—Yes, it is my living.

10789. And you do not want to raise the cost of the stone ?—No.

10790. And for that reason are in favour of a reduced rate rather than an increased duty ?—Yes, besides, if the Railway Department do not lower the rate the stone will remain where it is except in special cases, whereas if the rate were lowered it would become a generally used commodity.

10791. You said ¼d. per ton per mile ?—Yes.

10792. *Mr. Pyott.*] Is the quarry at Contat Siding the only one in the Colony producing suitable stone for building ?—Queenstown produces good building stone. There is no freestone quarry here except the one at Palmiet River.

10793.—Did I not understand you to say it is very hard ?—Very dense and expensive to work.

10794. Taking the cost of the Palmiet River stone and the working of it and the Queenstown stone, which would be the cheaper to work ?—The Queenstown.

10795. Even with the higher railway rate ?—Yes.

10796. Is the Saldanha Bay stone good ?—It is limestone. The Post Office and the Museum are built out of it.

10797. Is it durable stone ?—Yes.

10798. How do you get it from Saldanha Bay ?—By boat.

10799. What is the cost ?—10s. 6d. per ton.

10800. With landing charges I suppose it is nearly as much as coming from Queenstown ?—No. You must remember Saldanha stone goes about 15 feet to the ton, whereas Queenstown only goes about 12½ feet.

10801. Is the Palmiet stone too expensive to work ?—If you want any ornamental work to the building it is very expensive, but for a fine flat face it would compare very favourably with the other.

10802. How does the cost of a building in stone compare with one of brick ?—I could not say.

10803. *Mr Scott.*] How does the Saldanha Bay stone compare as regards cost with the imported freestone—Bath stone for instance—landed here ?—I should say about 9d. to 11d. a foot in favour of Saldanha Bay stone.

10804. Saldanha Bay stone being cheaper, is not that sufficient protection to keep out the imported stone ?—Stone is like everything else, it becomes fashionable and out of fashion. The Post Office has offended some people's eyes and that stone has gone out of fashion.

10805. Why is that ?—I cannot account for people's tastes. The stone when first worked is a lily white and it becomes brown. Whether that is the cause of its not being fashionable I could not say.

10806. Your main point is that you can get the best stone at Queenstown ?—The stone they are using at present—which is being supplied most at present. If I say the best stone is from Queenstown it is equal to saying there is no stone equal to Queenstown's.

10807. The cheapest worked and most suitable stone is Queenstown stone ?—Of the Cape Colony stone, yes.

10808. Your only point is that if you could get the railage reduced from ½d. to ¼d. that would meet your trade ?—Yes ; I think it would be a great boon to our trade.

10809. You suggested that the tariff on marble slabs should be reduced to 25 per cent. ?—Yes.

10810. For rough marble ?—Sawn marble.

10811. And the worked marble ?—I would put a thousand per cent. if I had my way.

10812. That would affect the furniture trade ?—To no great extent.

10813. It would if you increased the tariff so much ?—It would only affect them when they put a marble top on a dresser and a cheap public house table. My contention is that they have sawn and could saw it just as well here as in Europe.

10814. Then the polishing ?—It is polished by machinery, and could be done here as easily as in Europe.

10815. Have the stone yards got polishing machinery here ?—I would not say for certain.

10816. Do you press the matter of the marble slabs if you are not sure they can manufacture them as present, because they may do an injury to the other trades ?—There is no difficulty lying in the way. The plant is cheap enough to put down. Whether there is sufficient demand to keep the plant in constant work is something I have not gone into.

10817. *Dr. Viljoen.*] You say this building is made from Palmiet River stone ?—Yes.

10818. Do you know when it was erected ?—I was the foreman on it.

10819. Do you know under what conditions the stone was brought to the station ?—1d. per ton per mile from Sir Lowry's Pass, and to there by bullock wagon.

10820. They had to carry it nine miles by wagon to the nearest railway station ?—Yes.

10821. Now they have the railway close to the quarry, where they had not before, why have they stopped it ?—It is not suitable. It was an experiment. The same happened in the Union Castle offices. They experimented with Fish Hoek stone, and found it was not suitable, and finished it with Palmiet River stone.

George Robert Rathmell, Carpenter and Joiner (representing the Amalgamated Society of Carpenters and Joiners), examined.

10822. *Chairman.*] Will you state what you wish to bring before us ?—I come before you as a plain artizan to represent my society of carpenters and joiners. We are a very strong body, but here at the present moment are under a very great cloud, and very largely—as we consider—by the importation of foreign manufactured material into this Colony which we can make ourselves. Doubtless you have had stated before you in your travels through the Colony many of the arguments which I will use, but I do not think a repetition of the solid truth detracts from its value. I find in looking over the Government statistics of labour last year certain figures as to the amount of woodwork brought into this Colony. I might say that the statistics here, according to my opinion and statistics I have seen in other countries, are in a very crude form. There are two or three articles jumbled together which should be classified. The Government is spending money in getting up that labour report which does not clearly define itself. For instance when they classify raw and partly prepared material under the same heading that is no classification at all. I want to show that allowing the manufactured articles to enter this Colony is playing severe havoc with our trade, and not only ourselves but the public, through us, as well. Work which can be and should be done here is brought from oversea in such volume as to deprive us of the means of living for ourselves and our families at the present time. The money which should be spent here in the shape of wages and circulated in our midst is going to enrich foreign exporters, whilst our people are on the verge of starvation through the lack of employment, and that in its turn rebounds on the middle class shopkeeper and upon the merchant. I find in looking over the statistics of the Labour Bureau that in 1906 we imported into this Colony woodwork as follows: raw and partially prepared timber, £229,465 worth; manufactured woodwork, exclusive of furniture, £124.663; furniture, £379,724; making a total of over £733,800 worth of manufactured stuff brought into this Colony last year alone. Taking as a fair estimate that, provided the labour had been done here, 33⅓ per cent. would have gone for labour—which is a fair average for our work—it would have put into the mechanics' households £244,614. I think those are startling facts, showing that what should have come into our pockets in this country, but went to the pauper labour of Sweden and the child labour of Michigan and Wisconsin—because I know what those places are. Let us analyse that. The sum which was sent out of the country would have given one year's constant employment to over 1,000 carpenters or woodworker's at £4 per week.

10823. Will you state what alterations you want in the tariff? We want to keep to the point on which the Commission has been appointed?—I am showing the grievance we are suffering under through the want of the tariff now. Instead of that amount of money being distributed amongst us as workmen—men earning it honestly and fairly—I find, in looking over the records of our society for the last eleven months, that we have had 75 per cent. of our members out of work. I do not say that is for all the time, but more or less. That tells against the progress of this Colony, because, independent of so many of us being out of work and looking for jobs, which we cannot get, and our wives and families famishing for the means of the bread-winner in the house having something to do, it means that our society alone, during the past four years, has lost 460 members, who have gone across the sea to find places where there is a better living to be got than there is in our country.

10824. Will you state what you want. We sympathize with you to a great extent?—To state what I should suggest, I have lived in the United States of America for 27 years, and they are the greatest protectionists; and I say I should take a leaf out of their book, and do what they have done, and, instead of 25 per cent., put on 50 per cent. to 75 per. cent., and keep out the stuff altogether, except what we cannot produce ourselves.

10825. *Mr. Pyott.*] What do you suggest in altering the tariff?—I suggest that this cheap child labour and pauper labour of Europe and America should be kept out of this Colony in every shape and form as regards our trade. The raw material which cannot be grown here and is not produced in this country I would admit as nearly as possible free of duty, to give us the benefit of working it up.

10826. Make your suggestion. Do you recommend 50 per cent.?—I would recommend 50 per cent. on joinery work.

10827. What do you suggest for furniture?—I am not so well acquainted with that, but I should almost suggest the same thing.

10828. In giving us your statistics, £229,465 is for raw material and partially prepared?—Yes.

10829. But you would still have the raw material coming in free?—Yes.

10830. Would you have the partially prepared, such as ceiling and flooring, in duty free?—No.

10831. I presume in the Bureau making out that report they have included flooring, ceiling, and so on?—I consider that is already entirely prepared; it is ready for putting up. I presume they have included that in the partially prepared. I should certainly put it under the category of 50 per cent., as fully prepared.

10832. If you put on the 50 per cent. how will it affect you in the building of your house and the rent you pay for your house?—Very little—infinitesimally. It might at the first.

10833. *Mr. Harlow.*] Did you say 460 men had left this Colony during the last four years?—Four hundred and sixty of our members have left.

10834. What proportion are your members of the whole of the carpenters in the Colony?—I should say about one-third.

10835. Do you think there have been as many men going away outside of the members of your society?—I am positive of it.

10836. So nearly a thousand men have left the Colony?—I am sure of it—and I am speaking of this Peninsula, and not of the Colony.

10837. The manufacturers have asked for 25 per cent. on all manufactured woodwork?—I should want more.

10838. You would be satisfied with that if you could not get more?—We should have to take what we could get.

Charles McGhie, Stone Merchant, examined.

10839. *Chairman.*] Will you state what you want to bring before the Commission ?—It is with reference to the stone, marble and granite industry. I think we are paying far too much as far as the railway rates are concerned. We are paying at the present time ½d. per ton per mile and 1s. 8d. terminal charges, which I think is a bit excessive. For instance, I got 11 tons of stone down not long ago from the Orange River Colony. The material cost me £12 and the railway carriage £22 13s. 9d. Seeing that they charge 1s. 8d. for terminal charges, I think they should give us some facilities at the sidings and stations. They charge us 6s. a day for the hire of the crane. I think if we got the C24 rate it would assist us greatly in producing a cheaper article and competing against imported stone.

10840. You think the stone should be carried at a heavy loss for the benefit of an individual ?—It is not for the benefit of an individual ; it has not benefited me much yet.

10841. It would be for the benefit of the people using the stone ?—Yes. We would get a cheaper building.

10842. We have it in evidence that ½d. a ton does not pay working expenses on the railway. Is it reasonable to ask for a reduction to ¼d. to carry moderate quantities ?—The trucks come back empty.

10843. In the case of Queenstown they do not. They have to send them up-country ; it is not a case of their coming down country ?—The railway charges from Paarl on granite are ¾d. per ton per mile, with 10d. terminals. The charge is ½d. for the Orange River Colony and Paarl ¾d.

10844. Are those the only points ?—I would suggest a duty of, say, 25 per cent. upon imported marble or stone and raw material to be duty free.

10845. Is that all ?—Yes.

10846. *Mr. Harlow.*] Do I understand you to say that eleven tons of stone from the Orange River Colony cost £22 13s. 9d. for carriage ?—Yes.

10847. That was almost 200 per cent. more than the cost of the stone ?—About 180 per cent.

10848. If you could get a cheaper rate, do you think there would be more stone used locally ?—I believe so.

10849. Would it be a better class of building that would be erected compared with the brick and cement used at present ?—It would be far better. There would be a longer life attached to the building, and it would be better looking.

10850. You are a contractor ?—A stone merchant.

10851. Have you any machinery for working stones ?—Yes ; saws, pneumatic tools and air compressors.

10852. In regard to this ¾d. per ton per mile from the Paarl, do you only pay 10d. per ton terminals on that ?—That is all. That is for the granite.

10853. Is that 10d. at Cape Town ?—Yes.

10854 If you get a truck from further up-country, you have 1s. 8d. terminal charges ?—Yes, 1s. 8d. terminals and again 1s. 8d. for intermediate stations to Bloemfontein. There is 1s. 8d. to pay at Bloemfontein and 1s. 8d. down here, so that it is really 3s. 4d. per ton terminals that we pay.

10855. In reference to the imported marble and stone, you suggest the rough stuff should come in free ?—Yes.

10856. What would you classify as rough stuff in marble ?—Rough blocks—sawn slabs with rough sides.

10857. Do not you think you could compete with them if you had the rough block brought in and you sawed it yourself ?—Yes.

10858. You know the present duty on sawn slabs ?—15 per cent.

10859. Have you ever seen any marble come in sawn on four or six sides ?—I have never had any myself, but I believe it has come in. I never had any sawn on more than two sides.

10860. In reference to the imported stone, what is your experience regarding its wearing capabilities ?—I do not think very much of it myself. We have only to look at the City Hall and see how it is fretting away. It was not built a year when some of it began to decay.

10861. In regard to imported worked stone, I suppose you refer to monuments ?—Yes, and polished granite fronts.

10862. As far as the general monument is concerned, do you think you can work it here ?—I have just finished two for the Maitland Cemetery, and they have given every satisfaction to the architects and clients. The last one I finished was for £400, and I am sure he could not have imported it for the money.

10863. There is a general idea, I believe, that these things cannot be done here ?

—There may be. I have some photographs here showing what has been done (producing same.)

10864. In regard to monuments such as the one which has just been imported—the Lightfool Memorial close to the Standard Bank—do you think you could execute one like that?—Yes.

10865. Out of Colonial stone?—Yes.

10866. Would it compare favourably?—It would be better. It is not stone. It is not for outside work at all. That is for decorating the inside of buildings and halls and large offices.

10867. You think that could easily be done with the machinery you have at the present moment?—Without a doubt.

10868. And at a cost favourable with the imported?—As cheaply as they could import it.

10869. What you want the tariff for is to have some support for the colonial workmen?—Yes. We would be able to employ a great many more men if this stuff was all manufactured in the Colony. Take the monuments we generally sell out here. They come out ready-made and are set up in the showroom, whereas if we dressed all that here we would employ say a dozen men to every one that we have at present.

10870. Do you know if there has been any ready worked stone brought in to the detriment of the local manufacturer recently?—I do not know. There is a lot of stone imported. There has been a lot of granite imported for the Docks at Simon's Town.

10871. What is your opinion about that work. Do you think that could have been done out of local granite?—Yes. It is only a matter of a person obtaining the contract to get the machinery.

10872. How many men do you generally employ when you are working in full?—About thirty stone-cutters. There would be as many again in the quarries.

10873. Are they all white men?—All the mechanics are. There is a photograph there showing the men I have employed.

10874. *Mr. Scott.*] With regard to granite shop fronts, your suggestion is that the tariff should be raised from the present duty, which is 15 per cent., to what?—25 per cent.

10875. If that were done would the manufacturers in stone be able to supply the requirements of the Colony?—Yes.

10876. How many manufacturers in stone are there?—In the Colony or Cape Town?

10877. In Cape Town, say?—I suppose about a dozen.

10878. Are there manufacturers in the other towns to your knowledge?—Yes; there is a lot in almost every town throughout the Colony.

10879. Have these other people sufficient machinery to do this class of work?—I believe so. Some of them have. In town here only two of us have machinery.

10880. But you can do work equal to the imported work?—Yes.

10881. With regard to marble slabs for cabinet work, your suggestion is that they should come under the 25 per cent. also?—Yes all manufactured marble, stone and granite.

10882. That would affect the cabinet making industry?—I think we can produce it just about as cheaply as it can be imported.

10883. Where does this marble come from?—Carrara.

10884. You do not think it would affect the cabinet trade?—I do not think so.

10885. There are no marble quarries in South Africa?—I believe there is some found in South Africa, but not to any great extent yet. The development of the marble quarries has been very slow. I believe there is one in Natal and another in the Transvaal, and in German South West Africa—coloured marbles—but it is very short; there is no great size in it.

10886. With regard to imported freestone in the rough, do you make any suggestion about the tariff?—My suggestion is that all rough marble should come in free. We would then be able to compete against the imported. We can produce rough stone here cheaper than what they can bring it in for. Of course rough granite or rough stone in the Old Country costs you more f.o.b. than they can put it down here for. As far as the rough material is concerned we do not grumble so much; it is the manufactured articles we refer to. Our wages here of 1s. 8d. and 1s. 9d. an hour tot up very much more than at Home with 7½d. to 9d. an hour being paid.

10887. If you admit the freestone in the rough duty free, will that affect the soapstone quarries? Take Saldanha Bay, for instance?—No, I do not think so.

10888. You suggest the railway rate for rough goods should be C24?—Yes.

10889. Do you apply that to short distances?—Yes.

10890. What is the distance from Paarl?—About 35 miles.

10891. It would be 8d. a ton. You think if you got a low rate on the railway it would shut out a lot of the imported granite ?—I fancy so.

10892. *Chairman.*] Is not the freight practically a sufficient protection against the imported stone ?—No.

10893. *Mr. Scott.*] How is the stone freighted out ?—I forget now. You get the rough stone at a much lower rate than the manufactured article.

Soap Making.

Montague Coombe Price, Manufacturers' Agent, examined on Soap-making, Lime Juice, and Tariff Amendments.

10894. *Chairman.*] On what points do you wish to make a statement?

Witness.] I wish to lay before you the case of two or three manufactures. Undoubtedly there are some cases under the present tariff which might be altered with advantage, particularly where a trade has been crippled without in any way benefitting the local manufacturers. In some instances well established English firms with no local competitors are having their businesses reduced to a vanishing point, which is producing bad results, namely : first of all there is the loss of income to the Colonial papers, billposters, etc., owing to the advertising having to be cut down. I will refer more to that later on. Secondly, there is the loss of income to Colonial agents or representatives who have been severely "hit" by the reduced commission on the smaller trade ; thirdly, the loss of income to the Colonial Government through the decreased amount paid in the way of duties on goods, owing to reduced imports ; fourthly, the loss of income to the Colonial Government owing to the less amount of duty paid on the reduced quantity of advertising material sent into the country ; fifthly, the loss of income to the Colonial Railways. These losses have already been apparent to the Government, and will be accentuated unless the high tariff on such articles is reduced. I am speaking, for instance, of Bovril, which is a proprietary article which it is impossible to manufacture in the Colony. The present duty is 25 per cent. less 3 per cent., which is 22 per cent duty. This duty was suddenly raised when Bovril was doing a good trade in the Colony. It was 10 per cent. with 2½ per cent. rebate, which was 7½ per cent. nett, and it was suddenly raised to a specially high rate, for the purpose of establishing a local industry. Every one knows it is impossible—I daresay some of the gentlemen on this Commission know this even a good deal more than I—it is impossible to get cattle for such a low price as will enable such a preparation to be made in this country. As far as I have been able to get my information, cattle range from £9 to £16 here, and in the ranches in the Argentine where the cattle are reared they are sold at £3. Another instance I think you may take is Lime-juice. In the last tariff that was 12½ per cent. less 5 per cent., which is 7½ per cent., and it was suddenly raised to 25 per cent., undoubtedly with the object of establishing local industries. Now, the chief point I wish to draw attention to is the fact that there are no limes grown, nor likely to be grown, in any of the Colonies on a sufficiently extensive scale to make it a commercial success. A farmer who is well known here showed me some limes he had grown, which were very fine to look at. I asked him where he sent them, and he said he sent them on the early morning market. Well, shortly afterwards I was at the early morning market; and I said, "You have some limes sent here. Will you tell me who buys them ? I suppose the Colonial lime-juice makers ?" "Oh, no," was the reply, "we never hear of them. We always sell them to the Indians." I asked, "What do they do with them ?" and was told, "They hawk them about and sell them for lemons." As far as I have been able to gather the few Colonial limes are either unsuitable or, at any rate, do not go into lime-juice. The West Indies is the natural home of the lime fruit, and it is only there that it can be cultivated properly, hence if you bring from the West Indies pure lime-juice in casks for the purpose of bottling it here it has to undergo a long voyage, and the result is there is a greater amount of deterioration, rendering it necessary to use a larger quantity of preservatives than would be required if prepared where the limes are grown. This position of affairs naturally places a premium on adulteration. I would refer you to the South African Statistical Bureau, from which I get my information, as showing that the total amount of imports described as West India Islands produce—which would be lime-juice in bulk—was £77 for 1906. That is the total amount of lime-juice in bulk imported into this country as far as I can trace ; and I have shown you what becomes of the limes grown in this country. With regard to the local manufacturers, I might say—without mentioning names—that I sent three samples made locally to London, and my correspondents wrote : "We have had these analyzed, and find that all three qualities are extremely deficient in the essential ingredient—that is, Lime-juice"—when you are buying an article labelled "Pure Lime-juice" you expect to get some lime-juice—"in fact we have seldom seen such poor substitutes for genuine Lime-juice Cordial. We have no fear whatever that they can successfully compete with Roses' or indeed any other brand, with the smallest pretensions to genuineness. Of course we quite see that they meet a certain demand for cheapness, regardless of quality : that is found in all markets nowadays." I myself took a bottle of Colonial made lime-juice to Dr. Marloth, labelled "Finest Quality" and so on. I will not worry you with a lot of chemical terms, but will give the last paragraph of his report, which is to the effect that these articles might contain some real lime-juice, but it could not amount to more than 25 per cent. of the product, the remainder being made by citric acid. That report is by one of the most eminent analysts in this town ; and I daresay if I had gone straight to the makers they would have told me the same thing. Now this is made at three different prices : although pure lime-juice is pure lime-juice, and there can only be one quality Roses and Montserrat only put up one quality ; but there are three qualities made in the Colony, at 9s. 6d.. 11s. 6d., and 13s. 6d. per dozen. Why does not this Colony differentiate between manufactures which can be produced in the country and those which cannot ? For instance, the United States of America—which I think we may accept as the most heavily protected country in the world—admits lime-juice to-day free of duty, and in Florida where they largely grow oranges and limes. Legislation in the various markets generally favours temperance liquors, whereas Cape Colony acts on the opposite principle. Now the Colonial lime-juice—which is called "pure lime-juice"—is carried over the Cape Railways at one half the cost of what is absolutely pure lime-juice. Another important point I wish to submit is that if you bring lime-juice here in casks and bottle it, it does not constitute a local industry of any consequence at all. I have only considered the matter from the standpoint that the tariffs in general are increased to protect Colonial manufacture, and I am pointing out where they are being increased without really benefitting the Colonial manufacture. I referred just now to the loss of income to Colonial billposters and the loss of income to the Colonial Government owing to reduced quantities of advertising and advertising material, and so on. I have a letter here asking me to bring that point out prominently before you. More especially am I referring to the large lithographic posters you see on the hoardings. My letter says that these "cannot be produced in this country," and, further, "should all the posters that are used on the seven large billposting plants in South Africa"—that is, the Metropolitan Bill-posting Company in Cape Town, Gilchrist & Powell and the Anglo-American, Johannesburg; the Star in Durban, and the Colonial Bill-posting Company in Port Elizabeth—"be ordered from one local firm it would not pay that firm to import the labour and machinery necessary to produce these posters." You will probably have technical evidence on that. I simply submit this for your consideration. This letter is from the Metropolitan Bill-posting Company. The high duty has made an enormous difference to all the bill-posting companies in South Africa. The heavy duty on Bovril has lessened the trade of the merchant and the retailer, and the amount of carriage on the goods up-country, and without benefitting the Colony. The next point I wish to submit to you is in regard to soap. Under the existing Customs Tariff the duty on soap is ½d. per lb., or 25 per cent. *ad valorem*, whichever is the greater. The minimum duty is therefore 2s. 1d. on a box of 50 lbs., or, in other words, 4s. 8d. per 112 lbs. This is very heavy, and some people think an unjust tax on the poor man who wants to keep himself clean; and although it has been in force for many years, the bulk of the soap consumed in South Africa is still imported. I therefore submit that this duty should be reduced—with advantage to the Colony. The total imports of soap into Cape Colony from oversea, not including Natal, for the nine months ending the 30th September, 1906, amounted to £84,519. I take this from the official statistics. I am not worrying you with the details. The imports into Cape Colony for that period of soap made in Natal was £7,002. I took those nine months for the purpose of comparison, because we have the official statistics for the first nine months of this year, ending September last. For that period the imports into Cape Colony amounted to £76,835. That was against £84,519 the previous year—a considerable falling off. But the imports into Cape Colony of Natal-made soap was £14,352. So that formed nearly 18 per cent. of the total, also showing that the imports of Natal soap into the Colony have more than doubled. Why is it that Natal sent such large quantities of soap into the Cape Colony, while the Cape Colony manufacturers are sending nothing worth mentioning into Natal? The reason I have to bring before you—probably you already know from your great experience—is that the Natal Soapworks and the Durban Oil and Soapworks employ Indian labour. I do not know what the Natal soap people pay in wages, but there is a man in Natal who has four Indian men and their four wives, and they are paid 10s. a month and their rations, having little huts to live in. Their rations—consisting of ghee, rice, &c.—cost, say, another 15s. a month. Therefore, assuming that the Natal manufacturer gets his labour on equally advantageous terms from the Government—they are imported for them, and it is only fair to assume that they will not discriminate between one class of employment and another—it will mean that he will also get the same benefit of that cheap Indian labour. Therefore, if you do such a thing as increase the duty, it simply means that you are going to tax the whole of the white population of the Colony, and the trade will gradually drift, under existing circumstances, into the hands of the Natal manufacturer, and the whole of the white people and inhabitants of South Africa will be taxed in order that you may establish an Asiatic labour manufactory in Natal. I have said that the present tax is excessive. To prove that point I will refer you to some of the leading European countries and also some of the leading Colonies. Denmark is 2s. 4½d. per cwt.; Holland, 1s. 8½d. per cwt.; Belgium, 2s. 5½d.; France, 2s. 5½d. per cwt.; Italy, 2s. 10d. per cwt.; Austria-Hungary, 3s. 9¾d. per cwt.; Switzerland, 2s 0½d. per cwt.; Turkey, 8 per cent. *ad valorem;* Egypt, 8 per cent. *ad valorem;* United States of America—to which I have just referred as one of the most highly protected countries on the face of the earth—20 per cent. *ad valorem*; Japan, 1s. 8¼d. per cent.; China, 7¾d. per cent.; Persia, 1s. 3½d. per cent. Then with regard to the Colonies, the duties are: British India, 5 per cent. *ad valorem;* Straits Settlements, Free; Ceylon, about 9d. per cwt.; Mauritius, about 1s. 1½d. per cwt.; Hong Kong, Free; Canada, about 2s. 9d. to 5s. 6d. per cwt.; Barbadoes, 1s. 6d. per 100 lbs.; Grenada, 2s. 1d. per 100 lbs.; Trinidad and Tobago, 2s. 1d. per 100 lbs.; Bermuda, 6¼d. per cent. *ad valorem;* Gibraltar, Free; Malta, Free. I have shown you that our tariff is much higher than theirs. I think the Australian Colonies are slightly lighter than ours; I have not the figures with me now. What have you got for this heavy tax? You have been round and inspected the various industries, and have seen the labour, and know what it consists of probably. There are six manufactories: Ginsberg's of King Williamstown—I believe Kafirs' wages there average 2s. a day; George Brown of Port Elizabeth—who did very little good in the business during his lifetime; the Tudor Oil Works at Port Elizabeth—recently started; Saunders at Mossel Bay—who has one white man and one or two coloured men employed; Nannucci; and the Maitland Chemical Works. Nannucci made soap some years ago, but discontinued it, presumably because it was not profitable. For all that tax you have these six manufactories. I could speak in detail of the Natal Soapworks, but as I have been shown over them in a most courteous manner I rather feel it would be a breach of confidence to give more than a passing reference to them. You have the Durban Oil and Soap Works, nominal capital £120,000 when started a few years ago. A merchant in Durban in 1906 advanced £12,000 on a bond on their premises. They employ Indian labour. That does not look as if the duty will establish a local soapworks. I may point out to you that the duty does not really affect the case, because in Holland, where the duty is 1s. 8½d. per cwt., Belgium, where it is 2s. 5½d. per cwt., and Switzerland, where it is 2s. 0½d. per cwt., with less than half our duty, British soap manufacturers have established branch works in each of these countries. Therefore you see it is the natural conditions of raw material, labour, and above all, market. With regard to market, I would say that I do not think it is likely anybody would put a large amount up for expensive soap plant, so as to turn out 150 tons a week, until we have Unification or Federation. At any time we have the risk of having the Johannesburg and Transvaal markets cut off from us, and then we should be reduced very considerably. Referring again to the returns issued by the Customs Statistical Bureau, the Natal-made soap imported into the Colony during the nine months ending 30th September this year amounted to 1,366,175 lbs., which, if it had paid duty, would have yielded £2,846. The tare on that is 136,625 lbs., making a total of 1,502,800 lbs. The greater part of that goes up-country; a large amount goes to Kimberley, where the preferential railway rate gives it a benefit of 2s. 1d. per 50 lb. box from Port Elizabeth. It has been carried all over the Colony at half the price that it would have been carried for if imported. The consequence has been, taking the total weight and taking the average railway carriage at 1s. a box—which is very low—that is, 2s. per 100 lbs., the contribution from the railway revenue to the Natal Soapworks on this 1,502,800 lbs. has been £1,502. The total loss per annum to Cape Colony on railway carriage and revenue is £5,800; that amount is contributed to the Soapworks in Natal out of the Cape Government revenue. While on that point, a similar question arose when a soap manufacturer in the Transvaal was under examination before the Transvaal Industries Commission. Mr. Hosken put the question, "What is your output?" The answer was, "1,500,000 lbs. yearly." That is about 15 tons a week. The next question was, "Do you know what it costs the country to keep your factory going, in the shape of the remission of your duty?" and the answer was "I do not." Mr. Hosken then said, "I will tell you. It costs £3,750, and allowing £250 for the lower railway rates on ingredients that amounts to £4,000. Do you think it a reasonable proposition that the Treasury should pay £4,000 a year to keep one skilled workman employed?" That is a contribution to a soap works in its own territory, but I have shown you where the Cape Government are paying a contribution out of the revenue of the Railway and the Treasury of £5,800 per annum to support an industry in another Colony. Supposing we establish soapworks. It is the wish of everybody to encourage labour and to put works down, but I want to show where the duties are like will-o'-the-wisps, and where the industries have been a loss and a snare to the men putting their money into them. Supposing you establish a soapworks with an output of 50 tons per week—200 tons per month. That would require the following staff:—One accountant and office manager at £40 per month, or £480 per annum; six clerks at £20 per month each, which would be £1,440 per annum—the six clerks being two bookkeepers, one order clerk, one works clerk and two typists, £20 being a generous allowance—one chemist at £30 a month; one chief soap boiler at £30 a month; five men at £15 a month; four coloured labourers at £6 a month; and 15 boys at £3 a month; the total of that being £4,368 expended in wages. You must remember the management is already here on the spot. We and Levers have our management already here, so I begin at the accountant. With that output of 50 tons a week, at ½d. per pound duty, it amounts to £233 per week, or, in other words, £12,116 per annum. Supposing you make your soap in Cape Town, you spend £4,368 in wages, but the revenue loses £12,116. Which is best—to have £4,000 spent in wages or £12,000 coming into the revenue. I am in favour of establishing local soapworks if possible when the right time comes, and I think we are travelling in the right direction; but, as I said just now, I do not think we are likely to find people willing to put money into an expensive plant to turn out 150 tons a week until Federation comes. My conclusion would be that the duty on these three lines should be reduced. I have had thirty years' experience in the biscuit trade, but I see on the Commission Mr. Pyott, and I really think I must leave that subject to him. I would only point out for your consideration that, as far as I can see, the opposition in the North to the preferential railway rate being continued is very strenuous; and I think, should they succeed in carrying their way, industries like that in which Mr. Pyott is engaged, should receive some consideration, because, in my opinion, an industry like that is one of the most benevolent forms in which you can invest capital, because it employs such a vast amount of labour; the amount of detail work in a biscuit works is inconceivable except to those who have had personal experience in it. I am strongly of opinion that a biscuit works should be well considered. The conditions under which we work are difficult, but in many respects they are equal to what prevail in Great Britain. They have to import their flour, butter, sugar, and so on. We are in just as favourable conditions, but our market is different. They have a huge market, and here it is at a great distance and difficult to get at. I would strongly recommend you to take into consideration that a works similar to that should have some consideration in case the railway preferential rate is abolished, say, a bounty. I am in favour of bounties, but I have not deeply considered that question, and am not prepared to go into it.

10895. *Mr. Kayser.*] You are not interested in biscuits?—No direct interest.

10896. You do not represent any biscuit firm?—I do not.

10897. Your thirty years' experience was previous to the present duty?—Yes, with Peek, Frean and Company.

10898. You have no object as far as your own business is concerned?—Absolutely none. My own personal objects I have put on one side. I am only speaking of what seems to me to be for the best interests of the country. I am in favour of establishing industries where they can be established for the benefit of the Government and the people.

10899. You think the duty on soap, Bovril and lime-juice should be reduced?—To their former level, because I see no chance, for instance, of going into the lime-juice business here; no one has done it, and they cannot do it.

10900. You are specially interested in these particular lines?—I am.

10901. With regard to the railway rates, you are very clear that you consider the preference for Colonial manufactures should be done away with?—I say, notwithstanding the railway preference and notwithstanding the high duty, the large bulk of the soap consumed in the Cape Colony is imported. I say it is a loss to the railway revenue.

10902. Are you in favour of the preference to Colonial manufactures on the railways?—It is too large a question. I am not prepared to answer for Colonial manufactures as a whole, but only those I have given consideration to.

10903. Do you know what quantity of soap is manufactured in the country? You gave us particulars of the exports from Natal to the Cape. Have you gone into the question of the quantity manufactured in Cape Colony?—No. I have visited all these factories, and I rather feel that it would be a breach of etiquette to refer to the information which has been imparted to me on those occasions.

10904. You are not prepared to give the information?—No.

10905. But you are aware it is largely made in this country?—Including Natal?

10906. I am talking of the Cape Colony.—I would not describe it as largely made, from my idea of the term "largely made."

10907. Would 2,000 boxes a week be a small output for a Colonial manufacturer?—I should say 50 tons a week would be a fair amount. I have considered the matter of a soap manufactory in South Africa on the basis of its having an output of 50 tons a week.

10908. You suggest soap should come under the *ad valorem* duty?—My suggestion is that it should be either ¼d. per pound or the equivalent of 12½ per cent. If there is going to be a preference of 5 per cent. to British manufactures, I should suggest that it come at 17½ per cent., subject to the preference.

10909. And for lime-juice? -That should be on the *ad valorem* tariff.

10910. The same as before?—Yes, and Bovril the same.

10911. You specially mentioned the uncertainty of the Johannesburg market particularly, which of course had reference to the length of any agreement being made with regard to the future Customs Union. Have you any suggestion on that point?—My suggestion is that it should partake more or less of the nature of a permanency.

10912. Would you care to name a term?—I think it is a very serious matter to interfere with the tariff of a country; it should only be done at very rare intervals.

10913. What would be the minimum?—I do not think we should feel in seven years' time we are going to have our tariff upset. It should be on a permanent basis, and should circumstances justify any alteration of any particular line, then circumstances alter cases, and that particular case could be considered.

10914. You think the minimum should be seven years?—Not less.

10915. *Dr. Viljoen.*] Could you tell us what percentage of Colonial ingredients is used in the manufacture of Cape Colonial soap?—I know it is low, but do not know what it is; I am unable to tell you. I could obtain the information; I have it in the office. It would hardly be a fair point to put to me, as being interested in soap.

10916. I mean approximately, so as to see whether the Colonial soap is made from Colonial ingredients?—The great bulk is imported. I may say a great bulk of the chemicals come into this country duty free for the purpose of the soapworks. I do some of it. In regard to their fats, they import cottonseed oil, palm oil and some tallow. They are the three principal ingredients. There is cocoanut oil, which is also imported.

10917. You cannot at this moment give an approximate idea of the percentage of Colonial ingredients--Colonial products—used in the manufacture of this soap?—No; I could only give you a general idea. The regular soap manufacturers have been round the country and have circularised it, and been to all the farmers and taken all the fat they can get, and they cannot get anything like enough for their purpose.

10918. Could you give me a percentage?—No.

10919. Not even approximately?—No. I do not know the output of the Colonial manufactories. I think it would be almost impossible for me to give you that.

10920. Is there any immediate prospect of increasing the amount of Colonial ingredients?—I may say that I have a paragraph which would perhaps meet your case, which I was going to deal with but overlooked. I think we are an importing, and not an exporting, country with regard to raw material. Supposing we had an equally abundant supply of tallow as in Australia, I do not think it would make a penny difference in the price the farmers would receive for their tallow, because the price is a fixed amount in London. If you are an importing country, then the farmers will receive the regular London price plus the freight, and if you are an exporting country he will receive that price minus the freight; but it is impossible for me to speak as to the quantity. I know the cattle of this country have the reputation of being rather lean, and not too fat like the Australian.

10921. Supposing I put it in another way. What is the percentage of imported ingredients in the manufacture of soap in this country?—That would depend entirely on the output of the local maker. If you have three tons of locally made tallow available per month you have no cottonseed oil, palm oil or cocoanut oil. They all have to be imported: and with the cheap blue mottled soaps those are the chief ingredients.

10922. You cannot tell me whether it is 50 or 60 per cent.?—That depends on the output, which you could only get from a local manufacturer. A small soapworks would use more Colonial tallow.

10923. I want the percentage of Colonial material?—I think you must get it from a local soapworks.

10924. Do you not think, in a young country like this, which is being built up, that the duration of any Convention you enter into ought not to be for too long a period—that you could not apply the principles here which would be applicable in an old-established country?—If you do not get a set policy with regard to your tariff how can you expect to attract money into the country—if we feel that it will be upset every two or three years.

10925. Have you considered the preferences on the Colonial products on the railways from an agricultural point of view?—Not seriously—only cursorily, where it appears to me a very great benefit to the farmers bringing in farm produce to the centres of consumption.

10926. You think it would be advisable to continue that?—I think so.

10927. Would you apply that to articles made from Colonial products too?—Exclusively Colonial products, grown in the soil, or anything made from the raw article?—When it has received treatment or manufacture in any way I think it should then pay a higher rate.

10928. Would you give that a preference on the railway too?—Yes. But it is a big subject, to which I have not given sufficient consideration.

10929. *Mr. Scott.*] You tell us there are six soap factories in the country?—Six in the Cape Colony.

10930. Are you in favour of encouraging Colonial industries?—Where it can be done with a prospect of a man who puts his money in it making a fair profit, and without undue loss to the revenue and the railway.

10931. We had it in evidence a few days ago that very shortly there will be more than sufficient fat for the production of soap in this country?—That is very satisfactory.

10932. Do you think that is likely to come about?—I have not sufficient knowledge to form an opinion one way or the other, but I hope so. I would like it to be so, because then the condition of the country would be like Australia—that we should be exporting instead of importing fat.

10933. We have it in evidence that farmers are turning their butter into soap at the present time. We had such evidence in Kimberley, and that the Vryburg stocks are likely to increase, and the result will be that they will have an abundance of fat stuff for the manufacture of soap?—As I pointed out, it is not a question of tariff to attract a local manufacturer here, because in Holland, Belgium and Switzerland, British manufacturers have branch factories, where the duty is less than one half of ours. Raw material is a very great element to attract a British manufacturer to put money in. Labour is another element, and the market is another, and until the market is certain as regards the Transvaal it is an uncertain matter. That brings up the question of Federation or Unification.

10934. We have six manufactories just now. If we take away the duty, what effect it will have on the present factories?—The effect would be we would have a small number of coloured men thrown out of employment. Of course, I suggest that if the duty is altered it should be put on the *ad valorem* rate, being an article of necessity, and an article in regard to which years of high tariff and preferential railway rate have not succeeded in creating a satisfactory industry in this country. At present the Government is contributing £5,800 in order that Natal soap may come here.

10935. You have not answered my question. I asked what effect it would have on the factories already established?—I think the effect will be just the same whether you alter your duty or not—that Natal will kill it. I myself had a friend who offered to put £10,000 into a soap factory here, and I had another friend who also offered to put in a similar amount. I said, "No; I am not going to encourage my friend to lose his money." Judging by what I knew of other soapworks, I consider it was inopportune; we have not the markets.

10936. So you do not think we are likely to have more factories started in the country?—Not for soap.

10937. *Mr. Tod.*] I understand you make a strong point of this, that if we give these protective duties and industries are created, these industries will drift to Natal, on account of the cheaper labour there?—This particular industry especially. I could not say all industries would follow the same law. Each industry must be judged on its merits. I do not think the biscuit trade will follow that law.

10938. Why not?—I suppose if white people knew Asiatic labour was employed in the preparation of their biscuits they would be prejudiced against the biscuit manufactory.

10939. You think merely on the grounds of sentiment?—For one thing. People using soap do not trouble whether it has been cut out of the frame or box by an Indian or a Kafir.

10940. Have you any knowledge of the class of labour employed in biscuit making?—Yes. Do you mean in the Colony or at Home?

10941. In the Colony.—I have no knowledge of it here.

10942. Would you be surprised to hear that coloured labour is largely used?—If I had a biscuit manufactory, and as the coloured people have to live in the country, I would use them for outside work, but not for the packing, where the biscuits have to be packed in tins from the trays. I do not think they are used there. But for outside work, putting labels on the cans, driving the horses, and so on, it is all right to have the coloured labour. They must live in the country.

10943. But the objections you have against Natal are being used against Cape Colony the using of cheap coloured labour here in comparison with the labour in the Transvaal?—In a Transvaal manufactory I saw one Chinaman and two Kafirs, and one skilled soapmaker at £20 a month. That was twelve months ago. Since then it has doubled. They are using coloured labour. It is a case of living in glass houses and throwing stones.

10944. At any rate, you are not in favour of encouraging the establishment of industries in this Colony by protection, more especially the industries you mention—soap, Bovril and lime-juice?—I have pointed out that I do not think those three can be established profitably.

10945. But you are large importers of those three lines?—No. I am simply an agent for those firms.

10946. You do not import any stuff?—We do import some, but nothing worth mentioning.

10947. Do you not think it is likely that other gentlemen in the same position as yourself—representing biscuits, say—will come forward with the same argument? You are not representing a biscuit firm, but perhaps some agents in this country are representing such firms?—I am as good as representing them, because I had an offer a short time ago to represent one; I can represent them if I choose. I am not speaking from any personal interest in any case—lime-juice, Bovril, biscuits or soap. I tried to dissever myself from personal interest and to talk exactly of what I believe to be the condition of affairs.

10948. It is a pure coincidence that you happen to be an agent for these lines? It is your sense of duty to the Colony that brought you here?—To a great extent. Naturally I take the greatest interest in the lines of which I have the greatest knowledge; I can offer evidence on those industries where I cannot on industries of which I have no knowledge.

10949. There is a point in regard to the preferential railway rates which I would like to get from you. As you mention, there is considerable agitation against these preferential railway rates?—I have heard so.

10950. I would like to know from you whether in regard to such articles as soap, Bovril and lime-juice you are in favour of these preferential railway rates for the Colonial article being continued?—I am not. I have already given my reasons.

10951. *Mr. Harlow.*] Do you consider that Bovril is an absolute necessity?—In some cases.

10952. It is more of a luxury though?—I think it is a very nice thing. I had a cup of it with a little milk in just before coming in here, and found it very nice. I highly recommend it.

10953. In reference to lime-juice, you say there is a difficulty in the cultivation of limes here?—Yes. I said the West India Islands are the home of the lime. There is another point on this subject which I did not mention—that in America, the most highly protected country in the world, and near to the West India Islands, lime-juice goes in free.

10954. I want you to keep to the point. What is the difficulty in the cultivation of the limes? Why cannot they be cultivated as well as the lemon or orange in this country?—I believe myself it is owing to the moisture in the West India Islands. It would follow the law that in Natal you can grow what you cannot grow here—due to climatic conditions.

10955. Supposing we had irrigation?—No; it is atmospheric as well. It is like growing orchids. You pick them in the forests of Madagascar, and here they will wither and die if planted in the open.

10956. You mentioned the labour in Natal, and also made a strong point of Unification or Federation. If the cheap labour is in Natal will it have a tendency to block Federation?—That is a point I should like to reserve for consideration. If I come before you again I will answer that question

10957. You made another strong point in reference to the billposting—the imports of bill-posters and so forth. I suppose you are aware that plants are in existence in Cape Town for lithographing these different things?—Yes, there are some plants, but not to take a sixteen-sheet poster; I never heard of one. Some people have the plant for a certain purpose and it is no good for another; I am not aware that there is a sixteen-sheet poster plant in this town.

10958. I presume in the event of there being one it would show that you had not made enquiries?—My authority for what I say is very good. In this letter my correspondent says: "These large lithographic posters cannot be produced in the country, and, further, should all the posters that are used on the seven large bill-posting plants in South Africa be ordered from one local firm it would not pay that firm to import the labour and machinery necessary to produce these posters."

10959. *Mr. Pyott.*] You said that to manufacture 50 tons of soap a week you required £4,368 in wages?—Yes.

10960. And the protection on that soap is what?—At ½d. per pound duty it is £12,116.

10961. I suppose that is all the Colony would get—the £4,000 as against £12,000?—Yes.

10962. Nothing in fuel?—I should not think a great deal.

10963. You have not made allowance for Colonial raw material?—If you have a surplus of tallow, the Colonial raw material will fetch the same price exactly, whether you have a local soapworks or not.

10964. Will you not get a higher price in Cape Town for Colonial tallow than in the London market?—That might hold good as an exceptional case, but not in a general way. Supposing you have an equally abundant supply, we will say, as Australia.

10965. I am not supposing anything of the kind. Will not a farmer get more for his tallow sold in Cape Town than by paying the agencies on this side, the freight to England and the agencies on the other side? What would be the return to the farmer?—Whilst we are an importing country in regard to tallow the farmer would get equivalent to the Australian price plus freight from Australian ports; the Australian tallow market being £3 per ton less than the London market. But when we are an exporting country the farmer would get the London price minus freight.

10966. The farmer will get £3 more for his tallow here than in the London market?—But circumstances may alter the case, as for instance, if we have more than we can deal with.

10967. We will not debate that question. You make a great point of the £8,000 in excess of wages. Is there any difference between the price of Colonial and imported soap? Is not the Colonial soap cheaper to the consumer?—No.

10968. Is it possible to get practically 95 per cent. of the ingredients of soap in this country?—No.

10969. Is it possible to make soap from pure tallow and caustic soda?—I should say not, because it will crack; you must have a certain amount of other material in.

10970. Is it possible to make caustic soda in this country?—No.

10971. It is a product of lime?—And sand.

10972. And also ash?—Yes. That sand has to be got from certain parts of Europe: there are only certain beds of it.

10973. Really the position is not so bad as it might be in regard to the protection of soap manufactories, seeing that we are going to produce more raw material in this country?—As soon as you get it it will all be bought up, whether you have a local soapworks or not. The London market price rules everywhere.

10974. You are getting back to the point that the farmer gets £3 less in the London market than here?—That is as long as we do not produce a quantity sufficient to send some away.

10975. What is the difference in the duty on soap between Canada and New Zealand?—Canada is 2s. 9d. to 5s. 6d. per cwt. New Zealand is about the same as Australia, which is slightly lower than ours.

10976. *Mr. Kayser.*] Australia is about 25 per cent.?—The Australian duty is ½d. per pound.

10977. *Mr. Pyott.*] Do you not think the coloured people are able to keep up their end in the manufacturing of soap as against the Indians in Natal? Cannot they work as cheaply?—No.

10978. You feel that the soap factories have to be in Natal, where they get the cheap labour?—Whilst present conditions exist.

10979. In speaking of posters, do you suggest a reduction in the duty on printing?—I suggest that the reduction should be on lithographic posters which cannot be produced in this country; I am restricting myself to lines which cannot be produced profitably in the country.

10980. Is it not possible to cultivate limes in this country?—I think not; the atmospheric conditions are altogether different.

10981. You will not be surprised if I tell you any quantity of limes are being grown in this country?—No, but I should be if you said they were being used for limejuice cordial.

10982. Do you not think a reduction of the duty on limejuice would affect the makers of lemon syrup?—They were in existence when limejuice was on the *ad valorem* rate.

10983. You think the duty on Bovril is too high?—Undoubtedly; it has pretty well killed the trade.

10984. There is no possibility of that industry being established in this country?—No.

10985. Owing to the price of oxen?—Yes.

10986. There is no substitute for Bovril in this country?—Not in the world.

10987. *Chairman.*] Can you tell me the price of Colonial blue mottled soap in comparison with the imported article?—It is about 1s. per 50 lbs. box less than the imported. It is about 11s. 6d. for Colonial and 12s. 6d. or 12s. 9d. for imported. But then the Colonial soap sold belongs to a grade of soap which we have not imported yet.

10988. Your argument is that the quality of this imported soap is 1s. better than the Colonial?—More, decidedly.

10989. You would not agree with the statement that it does not cost people more here for soap than if they imported it—that the duty did not put the price of soap up?—It does not cost the people more for Colonial soap than it does for imported soap. They are paying the same, but they are not getting an equal quality in so many instances. I have seen some very good Colonial soap—exceptionally good—and I have also seen a lot of very bad Colonial soap which does not compare with the imported at all; it is too full of silica altogether.

10990. Has it affected the importation of soap?—The importation of Natal soap into the Cape Colony has affected the importation of British soap. The local soap has contributed to that, but I should think nothing like so much as the Natal soap, although I have no statistics regarding the local soapworks.

10991. Has the importation of Bovril stopped altogether?—It is down very considerably.

10992. What is the proportion compared with several years ago?—Roughly, a third now.

10993. The revenue has not suffered very much?—A third to a quarter. I could not say without having the figures here; I have the data in my office, and could turn up the information.

Oreste Nannucci, **Managing Director of Nannucci, Ltd., Soap Manufacturers, examined:**

10994. *Chairman.*] You wish to give evidence on soap manufacture?—Yes.

10995. Will you make any statement you wish to make?—Soap pays ½d. per pound duty. For the last ten years we have found great difficulty in competing with the imported article. I spoke to several prominent people here, and I was promised orders, and I continued with it until I saw this position coming. So far we have always remained the same as we were. A large firm with bigger capital, like Combrinck and Co., started 15 years ago, and were compelled to close down. Louws also had a large factory, and they were compelled to close down. I have lasted the longest—for ten years—and now that we begin actually to produce a very good article we cannot compete with the imported article. I would suggest a slight increase of the duty. The duty on imported soap is ½d. per pound, and I would suggest making it at least ¾d., particularly on wrapped soap—any soap requiring a wrapper or box to put it in. We find we are very much handicapped there.

10996. That is protected more than ¾d. a pound?—Not the common household soap; only the fancy soap is taxed higher, such as toilet soap. Anything under the class of common soap is only ½d. a pound.

10997. We have evidence showing that the soap manufacturers in other parts of the Colony are quite satisfied with the present duty?—I suppose they are speaking of the common bar soap?

10998. Yes.—But not on the wrapped and stamped soap, of which a great quantity comes to this Colony. We are making similar soap, but cannot compete. The fancy wrapped and stamped soap involves a great amount of labour. They pay no duty on the wrappers, and if we import wrappers we must pay duty. The same applies to boxes. If we import our own shooks we have to pay 15 per cent., whilst in their case the boxes pay no duty. We pay duty even on the nails, and they pay nothing at all. They only pay duty on the soap which is enclosed.

10999, You want an increase of ¼d.?—I was only suggesting it. I would not mind if common soap remained at ½d. a pound, but on wrapped soap—where there is more labour—I should say the duty should be slightly increased to protect that industry in this country.

11000. You wish to contradict certain statements that have been made?—I saw in the paper that Mr. Price gave evidence regarding the ingredients used in common soap. He said 95 per cent. was imported. I say only about 25 per cent. is imported, and the rest is Colonial.

11001. That applies to your manufactory?—Yes. We buy tallow in every shape or form. We buy it in small tins, in boxes or anything. Small farmers send the tallow by tins.

11002. What amount of soap do you make?—We can produce 60 tons a month, but we never reach more than 40 tons at present; we are making about 40.

11003. You would not contradict the statement of other manufacturers that they cannot get tallow?—Soon after the war all the cattle were exterminated, and tallow was very scarce, but it appears to be very plentiful again. I have not imported any tallow yet.

11004. You import palm oil?—Palm oil and cocoanut oil. I only use about 18 per cent. in the quantity of soap we produce and 8 per cent. of caustic soda, which is imported, and the rest is Colonial.

11005. Do the preferential railway rates affect you at all?—No. I think that is a very good advantage.

11006. *Mr. Kayser.*] You think a duty might be put on tallow?—I do not suppose it will do any harm.

11007. You would have no objection, in order to protect the farmer?—No.

11008. You object to the present railway advantage being done away with?—I think it is an advantage to the manufacturers.

11009. How long have you been in business?—Thirty years.

11010. Have you been making soap for that time?—Only ten years.

11011. Are you making more to-day than ten years ago?—No, a little less than, say, eight years ago. At the beginning we did very little, and then we got into it, but then the English people almost closed us down.

11012. Do you sell all you can make?—We only make for what orders we receive.

11013. You do not keep any in stock?—Just an advance supply, perhaps.

11014. You buy all the tallow you can get?—Yes.

11015. Do you buy all that is offered?—Each month the amount increases.

11016. And you buy it all?—Yes.

11017. *Mr. Harlow.*] In reference to this duty on cocoanut oil?—15 per cent. was put on it a short time ago which I was not aware of.

11018. You wish that to be removed?—Yes.

11019. To what extent?—Before it paid 3d. a gallon.

11020. What does that amount to?—I think it is about double the amount now that we used to pay. As cocoanut oil is not produced here, I should say it should come free the same as caustic soda.

11021. You would have no objection to paying a little on it for the purpose of revenue?—We use so little that it does not make any difference. I think 15 per cent. is too much.

11022. In what way do you wish to contradict Mr. Price in his statement?—First of all, he said the soap industry was impossible in this country. I think it is very possible. Look at Australia. I do not suppose there is one pound of soap imported there. There is a protective duty of 25 per cent.

11023. You say you produce 40 tons a month?—Yes.

11024. And could produce more provided you had the demand?—With the present plant I can produce 60 tons, and with the demand we will have a plant for producing 120 tons or more.

11025. Will you have any objection to the Commission seeing your plant?—I would have pleasure in showing it.

11026. *Mr. Tod.*] There is an agitation for doing away with the preferential railway rates. Will that affect you very much?—If we get protection on the imported article I will not object to paying the full rates, but at the present time we cannot compete with the imported, and therefore the only advantage we have is the preferential railway rate.

11027. If you get the ¾d. protection you would not object to the preferential railway rate being done away with?—I should say so.

11028. And also you would not press the point in regard to the oil?—Cocoanut oil is not produced here. 15 per cent. is a heavy duty.

11029. Do you use a large quantity?—No; about 18 per cent. in the making of soap.

11030. *Mr. Pyott.*] What is the value of the 40 tons you produce each month?—About £21 a ton.

11031. That is an average price I suppose?—Yes.

11032. You say you are getting practically all your tallow in Cape Colony?—Yes.

11033. You do not import any?—We have not done as yet.

11034. Supposing you were getting the business that is done in Cape Town, would you get sufficient tallow in the country to do all that business?—I should say so. Cartloads come in every day. Of course, I see that in the last six months eight million pounds of soap has been imported into this Colony.

11035. Within the last nine months we have it 10,199,643 lbs.?—I am not the only manufacturer here; there are three other places. There is the Salt River Chemical Company, Boyds, and the Sansinena Syndicate, all making soap.

11036. You are making an average of £840 worth a month—£10,000 worth a year?—Yes.

11037. You think you could get all the tallow here?—For what I produce now.

11038. Supposing you supplied all the requirements of Cape Town, would it be possible to get all the tallow here?—I am not sure, but I know every month my supply of tallow has been increasing.

11039. The matter which Mr. Price tried to impress upon us was that we were paying an enormous amount of money to protect this industry, and at the same time it is giving very little employment to people; and also that the raw material was imported?—That is incorrect. He must know very little about soap-making.

11040. Have you any objection to telling the Commission how many people you employ?—Twelve in the soap factory at present.

11041. What proportion would be white and what coloured?—We have Cape boys and girls. I have only two white men.

11042. What are their wages?—One £15 and the other £12 a month.

11043. You have your own chemist, I suppose?—Yes.

11044. You think there would be no difficulty in getting the raw material if you once had the trade?—No difficulty whatever. Of course, I do not know the exact production of tallow in the country.

11045. Do you send any soap to Kimberley?—I did before the war. Now they get it from Ginsberg.

11046. Have you any idea of the protection on the railway?—We get Third Class rate.

11047. What is the difference between your rate and the imported rate?—I believe about 2s. per hundred pounds.

11048. And if you get this ¼d. a pound more on soap?—It would not be a prohibitive duty; the imported article would come in, but we would have more chance of competing.

11049. By putting on that extra duty will it affect the price to the consumer?—No. There are too many of us making soap here and competing to allow that.

11050. If the merchant pays ¼d. more to the Customs he must make the customer pay?—At present the merchant prefers the imported to the Colonial, although the last six months I have made almost as good an article as the imported.

11051. Your idea is more to oblige the merchants to buy your soap?—I find great difficulty with the merchants. If they use the imported article they stock it, and when using the Colonial they only buy as they get the order.

11052. Do the merchants sell the imported soap in preference to yours?—They sell what pays them best; that is their patriotic spirit.

11053. Which of the two pays them best?—I sell at about 1s. 6d. a hundred pounds less than the imported, and although mine is the same article they buy the imported.

11054. Is there any prejudice against your soap?—No.

11055. Do you get your boxes made in the country?—No. I am sorry to say that, to compete with the imported article, I have to put my soap in second-hand cases; I sell my soap in paraffine cases.

11056. Do you get sufficient paraffine cases?—Plenty, at present; I do not know about the future.

11057. You are not supporting the Colonial box-maker?—No, I have still a large quantity of small boxes in hand which I imported from America. We sell in 50 and 100 lb. boxes. The paraffine cases are the 100 lb. boxes. For the 50 lb. boxes I import shooks. Even with the 15 per cent. I get them cheaper by importing.

11058. You would not ask to have the duty taken off these boxes, would you?—It would help us.

11059. Do you want it taken off the boxes or to remain?—If the duty remains I would like to see the duty charged on the boxes coming in filled with soap.

11060. This ¼d. you suggest would cover it?—Yes.

11061. You mention wrapped soap?—Yes.

11062. Do you get the wrappers printed in this country?—Not so far.

11063. Have you tried?—Yes. The prices here are higher than the imported. We print millions at a time.

11064. Do you give the local people the opportunity?—Yes.

11065. What was the difference between the two prices?—About 3s. a thousand.

11066. Would you mind sending us information about that?—I can do easily. I had some printed here, and never did less than 25,000.

11067. How many do you order from oversea?—100,000.

11068. You are quite prepared to support the man working in this country?—Most willingly.

11069. You have done in the past?—I went to the cheapest market.

11070. *Mr. Scott.*] You make toilet soap principally?—No; household soap.

11071. You said you had difficulty in getting the merchants to stock your soap?—Yes.

11072. Have you given the merchants an honest trial?—Yes.

11073. Have you gone to them and said you would make a contract with them?—I had a long conversation with them.

11074. But at present you sell to the merchants' customers?—I sell to the merchants.

11075. You mean the wholesale people?—Yes.

11076. And not the dealer?—Yes, but not less than a certain amount; the merchants bind me not to sell less than a certain number of boxes.

11077. You say they have a better profit on the imported soap than the Colonial soap?—I think so, because I brought an equal article and they did not touch it.

11078. Your article is equal to the imported and they do not touch it?—Yes.

11079. *Chairman.*] Could you contradict the statement made here yesterday, that the soap is made in Natal with coolie labour?—There they make three kinds of soap. They make good soap and very bad soap. They compete with the bad soap but not the good soap.

11080. What do you call good soap—blue mottled soap?—Yes.

11081. Should you give protection to the soap industry if they import coolie labour? Natal will probably cut you out here. Do you think it an advantage to protect that industry, which employs coolie labour?—No. Coolie labourers are not strong enough for the soap industry; a Kafir boy can do what it requires two or three coolies to do.

11082. They are doing it in Natal?—There they have the coal, which is an advantage.

11083. It is the cheaper labour?—We have very cheap labour here now. I do not know what they pay in Natal.

11084. The point is that they are using this cheap labour in Natal, and by that means are cutting out the manufacturer in the Cape Colony. Do you think it is an advantage to the farmers to protect an industry of that sort?—I have no fear of Natal competition.

Candle Making.

Hans August Paul Burmeister and August Heinrich Ludwig Burmeister (Junr.), Proprietors of the South African Candle Works, Cape Town, examined upon the following statement submitted to the Commission:

THE CANDLE INDUSTRY.

Evidence, tendered to the Government Commission on Industries by Mr. H. A. P. Burmeister, the Owner of the "South African Candle Works," Cape Town.

The South African Candle Works in Cape Town are capable of turning out 250,000 lbs. candles per month, at a price and of a quality, generally recognized to compare favourably with the best grades imported from Europe and elsewhere.

Their Trade Mark is :—" The Lighthouse Brand."

Candles of every description are produced, viz. :—

Mine Candles, especially prepared for use in mines.
Stearine Candles, all sizes, for domestic use.
Stearine Carriage Candles.
Stearine Hotel Candles.
Sperm Candles, all sizes, for domestic use.
Paraffin Candles, all sizes, for domestic use.

The Boxes into which the candles are packed and which I require a huge quantity monthly, are made of Colonial wood and are supplied to me ready-nailed by saw mills in Cape Town and suburbs.

All Labels which in numbers run into millions, are designed and made in Cape Town.

All paper for Candle Wrappers is bought and cut up locally.

I employ 72 hands all told. The wages bill, rates, taxes, forage, boxes, engineer's bills, printing, labels, paper, paper boxes, insurances, coals, carpenter bills, etc., etc., inclusive private drawings, amount at present to nearly £7,000 per annum, being money spent locally. This local expenditure is sure to be doubled if the suggestions submitted below are adopted.

Besides the above local expenditure, the South African Candle Works in Cape Town are buying all tallow available in the Western Province. Before the war I spent between £1,500 and £2,000 per annum on Colonial tallow; subsequently during the following 6 years, very little tallow was offering, but now the supply is gradually augmented, and bids fair to become sufficient for our wants in course of time. During the past eleven months of this year, I spent over £850 on Colonial tallow. By taking fully £50 for December purchases, then this year's local expenditure increases to £7,900.

THE CUSTOMS TARIFF AND THE SOUTH AFRICAN CANDLE WORKS.

(1) The present Customs Tariff does not afford protection against dumping from oversea.

(*a*) *Suggestion.*

The present duty should be raised to 7s. 6d. per 100 lbs. and in case the present preferential railway rates on Colonial manufactures be abolished, additional recompense should be granted by increasing the duty to 10s. per 100 lbs.

(*b*) *Justification.*

The industry suffers severely under the dumping on this market of the over-production in Europe and elsewhere. Especially the inferior grades of candles are dumped here and are sold to dealers practically at any price. These low grade candles are made of material much inferior and much cheaper than the superior quality which we supply in competition with the famous British and Continental Brands: nevertheless, these cheap candles are palmed off on the public as "Imported," which in the minds of many "must be superior" to the Colonial make, and full price is paid. However, we, the Colonial Candle Works, may not produce such inferior candles, they would be called, and deservedly so, "Colonial Rubbish," because to palm them off on the public, is nothing but barefaced robbery; there exists nothing more wasteful, and consequently nothing more expensive than such low grade candles.

If this low and inferior rubbish did not interfere so seriously, then there would have been no need to disturb the present Tariff on behalf of the Candle industry, but the best efforts made by our Colonial factories are frustrated by the state of affairs, as illustrated above.

I beg to add: There need be no fear that, by granting an increased Import Duty on candles, the consumer would have to pay a higher price. This often repeated argument is a fallacy in the case of Colonial candles, local competition has already reduced prices. Even Natal, with its Coolie labour, competes with candles in Cape Town, let alone the Colonial works.

(2) The Colonial candle industry suffers under a serious disadvantage because imported gross weight candles are sold as "nett" with impunity.

(*a*) *Suggestion.*

The exact nett weight of candles contained in each pack should be shown distinctly on the label: the term "Gross Weight" should be inadmissable.

(*b*) *Justification.*

Leading merchants in the Colony have told me plainly: "We would give your admirable nett weight candles the preference if the gross weight swindle could be stopped, but until that is done no Colonial nett weights can compete."

(3) The following anomalies exist in the present tariff, viz., Blue paper and tissue lining as used for nett weight candle wrappers and "when cut up in sizes" (11″ × 10″ or less) pay 15 per cent. duty, whereas cardboard, as used for gross weight candles, pays only 3 per cent. duty.

(*a*) *Suggestion.*

All candle wrappers, blue and tissue, when cut up in sizes of 11″ × 10″ or smaller, should pay 3 per cent. duty, the same as for cardboard.

(*b*) *Justification.*

It is hardly necessary to further point out the treatment, meted out to the nett weight candle wrapper as compared with that of the gross weight wrapper. It is an injustice which never has been intended by legislation.

(4) Raw material of every description used for making candles should continue to come in free of duty, as per present tariff, viz., paraffine wax and stearine, and also plaited candle wick.

(5) General Remarks.

The candle industry employs a large number of people, who earn their wages regularly.

The candle industry also supports other industries and trades.

The South African Candle Works are capable of being extended, especially in the direction of producing a huge part of its material from Colonial products. To bring about this most desirable end, the stability of the Customs Tariff must be assured for a number of years, otherwise nobody will or dare risk the large amount of money required for such extension. I am not the only manufacturer who would extend and invest more money, there are plenty others waiting for stability.

I most respectfully, yet most strongly beg to urge upon the Industries Commission, to kindly consider this, and if agreed to enter the necessity of stability of the Tariff for not less than five years, in their recommendations to Government.

11085. *Chairman.*] **You wish to give evidence on the candle manufactory?—Yes.**

11086. Have you anything to add to this statement?—Not in particular.

11087. ***Mr. Pyott.***] **What is the duty candles are paying to-day?—The nett duty is ½d. per pound.**

11088. That is 5s., less the preference?—Yes.

11089. What duty do you propose?—I propose 7s. 6d., which is ¼d. a pound more.

11090. Do your candles enjoy a preference over the railway?—Yes.

11091. What is the difference between imports and Cape Colonial made candles from here to Kimberley?—4s. per hundred pounds.

11092. Would you give me the exact rates? What is the rate from Cape Town to Kimberley?—4s. 11½d. and 8s. 10½d.

11093. A difference of 3s. 11d.?—Yes. I would like, for the sake of comparison, to point out that for the Kimberley market imported candles would come via Algoa Bay, and would thus pay a railage of only 6s. 8½d., a difference of 1s. 9d.

11094. As you are aware, our object is to find out if we can do away with the preferential railway rate. Have you taken that into consideration?—I have mentioned it in my statement. My suggestion is that the present duty should be raised to 7s. 6d. per hundred pounds, and in case the present preferential railway rates on Colonial manufactures be abolished, additional recompense should be granted by increasing the duty to 10s. per hundred pounds.

11095. This 2s. 6d. extra will compensate you for abolishing the preferential railway rate?—As nearly as possible.

11096. You do not take your maximum distance as Kimberley?—No; there are places nearer home and further away.

11097. You take a maximum of 300 to 350 miles?—Yes. Kimberley is about the centre, I should say.

11098. Do you get much of your raw material in this Colony?—A considerable quantity.

11099. Fats?—Yes. I have also mentioned this in my statement.

11100. What is the percentage of Colonial material you use at the present moment?—We have not calculated that exactly.

11101. Could you give it roughly?—About 25 per cent. of the value.

11102. Is there any possibility in the future that you will get more than this?—Yes.

11103. What are the possibilities?—I should say almost unlimited, because the more our cattle increase in numbers, the more we shall get. I have it on very good authority from friends in the country—I have friends all over the country who keep me well informed—that within a very short time we shall commence exporting beef and mutton, and where will the tallow go to? We want it here, and we can use it for manufacturing purposes.

11104. If people tell us that to-day the candle industry is a "bastard" industry—that is, importing its materials from other countries—it is not so?—No. The term "bastard industry" is not applicable to an industry which spends 33⅓ per cent. of the value of the article it produces in this country, during the course of its manufacture.

11105. Do you get boxes made in this country?—Yes.

11106. You do not import them?—No.

11107. Do you get your printing done here?—Every bit is done here.

11107a. You have no objection to the 15 per cent. duty levied on boxes at present?—No. I hold that the more we can produce in the country the better for us all. Not only will we encourage better machinery for more superior and numerous articles, but for the cheaper articles too.

11108. How do the prices for printing compare with the imported?—Very favourably.

11109. Are you getting it as cheaply, or are you prepared to pay a premium?—I am getting it done at a lower price than I have ever imported.

11110. *Mr. Tod.*] Do your candles command as good a price as the imported?—Yes.

11111. They sell at the same price?—Yes, and I may here state that since the beginning of this year all the wholesale houses in Cape Town are taking all their candles from my works. Importing into Cape Town has practically ceased, with the exception of certain dumping qualities. That is where my grievance lies, as I have set forth in my statement. They come and dump low grade candles here, which originally cost a great deal less in material, and which by force of over-production they send here, and offer to merchants at a dumping price. That is why I ask for an increased duty. If I only had to do with equal grades I would not require any increase.

11112. Who imports those cheap candles which are dumped down here? Is it done through the regular merchants?—The merchants and importers. Agents come along and offer them a tempting price, and they say, "All right; let us try them." They get perhaps 5,000 boxes, and when they get them here they find it is a great mistake, and they cannot sell them, because here in Cape Town my candles have a footing.

11113. If the candles are so bad, that will put itself right, naturally, and people will not repeat their orders?—Yes, but things go much further. We have also to do with the ignorance, as I might call it, of a certain section of the public, and not an inconsiderable section. They are simply told, "We have no other, and the Colonial candles are not as good as these." These things go against us, especially in the wide areas inland. That is where we are very seriously handicapped.

11114. Are you making a candle equal to the highest grade imported?—Certainly. I would like to show them to you. I am sure you have not seen as good a candle in Cape Town as this, and it is what I am selling every day.

11115. You tell the Commission it is only in regard to the inferior candles which are being dumped down that you ask for the increased duty?—Yes.

11116. Have you any objection to telling the Commission what you pay for the Colonial tallow?—I do not think that would be fair on my part. I am perfectly willing to tell you privately.

11117. Would you mind saying if you give a price equal to the imported tallow?—We cannot lay down tallow just now here at the price we can buy it at.

11118. You are buying the Colonial tallow cheaper than you would pay for the imported?—Yes. That is our inducement; we would, in any case, prefer to buy what is produced in this country. That is one of the reasons why we can support industries.

11119. What would you say to a protective duty on tallow?—Not to-day, because we do not get enough yet.

11120. You say you do not get enough, and yet you pay the Colonial producer less than you can import at. What is your explanation?—It is the market.

11121. I suppose you have the Colonial man at your mercy?—Oh, no.

11122. Have you any explanation of the great difference in price?—We are not buying the tallow in its rendered state; we buy it as it comes from the animal, and then we have our own special contrivances—my discovery, if I may say so—with which we render it. That is what makes it worth while our handling it.

11123. You get the imported article in a higher refined condition?—Certainly, or it could not come over the water; it would go bad.

11124. That would account for the difference in the price, if there were any?—Yes.

11125. Would you object to a small protective duty on tallow?—No.

11126. *Mr. Harlow.*] I see you suggest raw material of every description for making candles should continue to come in duty free, such as paraffin wax, stearine and platted candle wax. From what source do you obtain paraffin wax? This is one of the points I cannot answer.

11127. Do you import it from Great Britain?—From all over the world; the whole world is my supplier.

11128. Can you get paraffin wax from Great Britain?—Certainly. I am actually importing from Great Britain—that is Scotland—but that is not all; I cannot get all I want there.

11129. You have already told us you would not object to a small duty on tallow. Why do you object to a small duty on these other things for the purpose of revenue?—The people who are sending their candles here are getting their raw material free. They are not paying duty on it. They get everything under the best advantages. They import paraffin wax, for instance, from the whole world—America, India and everywhere. I, as a Colonial manufacturer, cannot very well be expected to do better than they—people who work with millions. I should have the raw material under the same conditions as the manufacturers on the other side of the water.

11130. Would you have any objection then to paraffin oil coming in duty free?—That does not interfere in my business, and I would rather not deal with it.

11131. It interferes with the lighting of private houses. If the paraffin came in duty free, you would not have the sale for candles that you have now, would you?—It does not concern me here at the present moment.

11132. It might?—The paraffin oil, no. The consumption of my candles goes on in spite of the importation of paraffin oil.

11133. You complain in your statement about dumping. You make the assertion that these dumped candles are not of equal weight to yours?—That is the second grievance. They are imported as gross weight. Of course they are low quality at the same time; and that would constitute dumping, from my point of view.

11134. Would you tell the Commission what the difference in the nett weight is between your production and the imported dumped article?—1½ ounces on 16 oz. candles.

11135. Would it meet your requirements provided the tariff was put on all candles that did not attain a certain weight or value?—I have dealt with it in my statement.

11136. If you had a candle coming in at 14½ oz. nett, and it had to pay the 16 oz. duty?—It does so at the present moment.

11137. Supposing that candle is valued at 20 per cent. less than the 16 oz. candle, would not a duty on that in proportion meet your requirements?—No. That percentage would be absolutely too small. The difference in the value of the material is far in excess of the duty at per cent.

11138. It is the value of the article I am getting at?—The value of the article does exceed the small percentage of duty on the difference in the weights.

11139. You think nothing less than ¼d. a pound would meet your requirements?—My rights would be met by saying ½d., but knowing that only moderate demands will be considered, I have said ¼d. That is the very lowest. There are candles here of which the material originally cost more than ¼d., and then there is a certain way of mixing even cheaper stuff into it, which reduces the original cost of that stuff, but it cannot be detected.

11140. How long have you been in existence in Cape Town?—For 19 years—that means the candle factory. I have been here since 1881.

11141. Naturally, you run your business at a profit at the present moment, or you would not be carrying it on?—For four years I have carried it on at a loss. Why? I had men who had been with me from ten to sixteen years, and I should have had to throw them on the street when it happened that the whole of the Customs Convention tumbled about our ears. I could not do it. Then I had machinery of great value, and buildings adapted for it. Should I let the thing slip and drop my earnings? I have kept on in the hope from year to year that there would be a change in the Customs Tariff and in the policy of our affairs, while I have lost money. Formerly I had to sell to the retailers direct; the wholesalers would not look at me. They said, "You interfere with our importing business." Now I have been lucky enough to get their support, I am beginning to make just sufficient to pay my way—nothing more. I may just eat and drink and keep a decent coat on my back, and nothing else; there is no profit over it. But I am looking forward to a sale of increased quantities through doing away with this dumping. If any man has done his duty here I have; I have stuck to the necessity of keeping our men employed; I did not care to throw them on the street and make them increase the army of the unemployed. I have done my share; and here what am I asking? Allow me to come on the same level as the imported high-class candles. I am beating the high-class candles in quality. Why? I have been at it for 19 years, and have done my best. There is a certain way of doing things, which one gradually finds out by experience and application and hard work, and I have done that.

11142. In other words, for the last four years you have been running your factory practically as a benevolent institution for the good of the Colony?—Yes.

11143. *Mr. Kayser.*] Are you doing an increased business to-day to what you did before the last Convention came into force?—Yes.

11144. So the last tariff has been of assistance to you?—In a manner. At the time the last tariff came into existence we had ¼d. duty, and I was supplying the retailer. Certainly that means opposition from the wholesale houses. This has altered. From the day it was agreed that it should be turned the other way I did away with my distributing establishment, which meant three travellers, three horses and carts and drivers and the whole thing. That meant saving an enormous sum of money.

11145. And you did your business through?—The wholesale people. I was the means of making an enormous change, even in the dealing. Formerly the Colonial article was not wanted, and now I prove that I give them a better article, and ask them, "Give me the same price as you have to pay for the imported," and of course they have done so. They give me the same price, and of late they even get it at slightly less than they can import it for, and so naturally, having them with me instead of against me, that gave me a great impetus, which again induced me to enlarge my factory and to enlarge the capacity of the works. I am now in a position to say I can supply almost the whole of the wants of this Colony.

11146. To-day your factory is large enough for that?—Or nearly so. It is only the question of an addition here and there, and the thing can be done. But I am not working under fair conditions. As I have said already, I am suffering severely from the dumping of the low grade stuff.

11147. As far as the mercantile community in Cape Town is concerned, you find they will take your goods?—Yes.

11148. The reason being that the quality of yours is equal to the imported?—Quite. I am sure it is superior.

11149. They are willing to pay you the same price at which they could import the article?—Yes.

11150. So you have no disability on that score?—No. That is owing to the quality, and the wholesale people turning round and looking favourably upon Colonial industries and upon the efforts of the people. I have made a fair start and I wish it would be generally so.

11151. You recognise because of the good quality you supply that you get the confidence of the distributors in the country?—Certainly.

11152. Can you tell what proportion of Colonial tallow you make use of in your business?—About 25 per cent. of the value of the article.

11153. That does not help us at all. Can you tell us what proportion of your tallow you buy in this country and what proportion you import?—I do not import any tallow.

11154. The articles mostly called for in your business are stearine and paraffin wax—which you must import?—Yes.

11155. And you get it from the cheapest market in the world, naturally?—Yes.

11156. You cannot give the proportion?—It is changing for the better every month, so that a statement to you now would be wrong in three months' time, because it would then be more. As soon as stability of the tariff is assured, money will be invested in machinery, which will make it possible, provided the tallow supply goes on increasing at the present rate, for me to use 50 per cent. of Colonial raw material in the manufacture of my candles.

11157A. You do not import any tallow?—No.

11157. You get sufficient for your requirements?—I make it now because I do not want to discourage the people I am dealing with.

11158. As you do not import any tallow you would have no objection to a duty being put on imported tallow? Will you tell us at what price, compared to the imported article, your candles are sold retail?—*Mr. Burmeister, Junr.*: The candles are sold by the retailer at the same price as the imported, but in most instances ½d. cheaper.

11159. So when a manufacturer tells us that in order to sell your goods he must sell for 3d. a packet cheaper, it is not your experience? *Mr. Burmeister*: No. We are giving quality and can insist on the price.

11160. Your experience is that you can get the same price in some instances, but in some instances you sell it slightly cheaper?—*Mr. Burmeister, Junr.*: The retailer may get a better profit. He can sell for the same price.

11161. You told me that in some cases the article is sold at the same price as the imported article, and sometimes slightly less?—*Mr. Burmeister*: Yes.

11162. With regard to dumping, do you know what the imports of candles were for the last nine months ending 30th September, 1907?—I have not gone into that.

11163. Do you know the imports for last year in the whole of Cape Colony?—I could not recollect it.

11164. Do you mean to tell me that, as a manufacturer of candles, you have not gone into that question?—It is not in my memory.

11165. You have gone into the question of how the import trade is affecting the industry?—I have the figures at home.

11166. Do you mind telling the Commission your sales?—About 150,000 lbs. per month.

11167. I want to point out to you that the imports for Cape Colony for last year were £73,000. In order to compare that with this year I must take it for nine months, so I have taken off a quarter, which I have made roughly £19,000, which would leave the imports for the last year for nine months £54,000, and for the nine months of this year the imports are only £36,000. How do you account for that difference?—There are others supplying; I am not the only one.

11168. Is it not to be accounted for by the fact that the Colonial manufacturers are gradually getting the trade?—Certainly.

11169. That being the case, your protection seems to be reasonable?—My statement explains that. If the inferior rubbish did not interfere so seriously there would be no need to disturb the present tariff on behalf of the candle industry.

11170. I agree with that and want to point out something else. In the port of Cape Town the total imports for the last nine months were only £8,800. Do you suggest that for the sake of that small import we should tax the Colonial user of candles ½d. a pound more? The total imports, in value, in 1906, were £73,000, and that reduced to nine months would be £54,000. For the last nine months of 1907 the total imported into Cape Colony was £36,000, of which Cape Town imported £8,800 worth. I ask you, notwithstanding the fact that you are doing a larger business to-day, do you seriously ask the Commission to recommend an extra ½d. a pound of ½d. a pound on candles if the railway preference is not removed?—I certainly recommend it. It is this inferior candle which is represented by the £8,000. The consumer will certainly not pay a fraction of a farthing more.

11171. Your price will not be increased?—The competition now is strong enough, enhanced by the competition from Natal, so that the consumer will never have to pay more.

11172. You say it is only the inferior article, so that the man buying the inferior article would naturally have to pay more for his candle. You want to shut out the inferior article?—If we could kill the idea about the imported stuff having to be better it would be all right. A man why buys a good candle is in the end paying less for his lighting than if he buys a very inferior candle on account of its miserable burning capacity. The relative loss when burning a poor candle is much higher than the extra initial cost when buying a good one.

11173. I think you have proved to the Commission that your article is equal to the imported, but you say a cheaper article is now being imported and you wish it shut out?—And that cheaper article is sold at the same price as mine; I have to come down to that cheaper article to maintain my sales.

11174. Sooner or later the consumer must find out his mistake. At all events, you consider, notwithstanding the figures I have given, that your request is reasonable?—I ask this on the ground of equity, and to give the Colonial man a chance to enlarge his works and employ more men and supply your wants.

11175. Before the present Convention took place, how many hands did you employ in your factory?—About 25. At the end of last year it was 21.

11176. To-day you are employing 72?—Yes.

11177. How do you account for Natal being able to compete with you in Cape Town? You mentioned coolie labour. Is that the only reason?—They pay much smaller wages than we do.

11178. One of the manufacturers, in giving evidence here yesterday, told us he had equally cheap labour in Cape Town. He contended that Natal could not compete on account of coolie labour?—Their labour is cheaper; that is certain.

11179. You contend it is on account of coolie labour that Natal can compete?—Yes.

11180. Freight is probably a small item?—Yes.

11181. Do you think this suggestion of yours will remedy that competition? Is it not going to make that competition still keener if you increase the duty on candles ¼d. a pound?—[In answer the witness gave an explanation regarding Indian labour.]

11182. What proportion of your labour is white?—One-third.

11183. And the other part is what we call the Cape boy?—The respectable Cape boy class.

11184. With regard to clause 2 on page 3 of your statement, where you complain of the disadvantage because candles are imported gross weight, would it meet your complaint if the Customs charged duty on gross weight?—They do so now.

11185. Under certain conditions they do so to-day?—They say the importer must show what weight of candles he imports.

11186. Unless the package distinctly states the nett weight they are charged at the weight shown outside?—The gross weight is not shown outside; I have not seen it yet. It is shown on the boxes, but not on the package, and the public does not know.

11187. In view of a future Customs Convention, how long do you think it should last?—Not less than five years. My contention would be for ten years, if I thought it would succeed.

11188. At any rate, whatever is the position, you would prefer stability?—Yes.

11189. You object to any alteration in the railway rates unless you get an equal consideration in the duty?—Yes.

11190. *Mr. Scott.*] Will you tell us what effect the taking away of the duty had some few years ago in your industry?—It practically ruined it.

11191. Do you think that was fair to you, as a manufacturer in this country?—Certainly, absolutely unfair.

11192. Do you think it is fair at any time to take off duties suddenly where you have large capital employed?—It is very unfair.

11193. Are you prepared to extend your factory if you get protection against this low grade candle? Would it stimulate the extension of your factory?—Yes.

11194. In that case you would be of benefit to this country?—Certainly. I have dealt with that in my statement.

11195. Have you taught your sons the trade?—Yes; my two sons have learnt it. My son with me now went a step further. He studied chemistry in the way of grease, tallow, soap, etc., and production of stearine and everything. When he was about to go into some of the big factories at Home, to study the practical part of it, this Customs Tariff tumbled about our ears, and we had to stop that. If I had been a millionaire we might have gone on, but, unfortunately, I am not.

11196. Now, with regard to the import of candles, a good deal was made of the fact that you were only affected by the import in Cape Town, but your candles go all over South Africa, do they not?—Yes.

11197. So the importing of the cheap candle does affect your industry?—Right up-country, certainly—say to the north of Worcester.

11198. So it is hardly fair to bind you down to imports in Cape Town?– No. Then my candle factory could not be extended.

11199. As a matter of fact, if you have the increase, you have told us plainly that the public will not have to pay more for their candles?—Yes.

11200. Could you make use of the Colonial berry-wax?– Not for candle purposes. The berry-wax is of too low a melting point.

11201. Could it be used for any other purpose you know of?—It can be used for toilet soaps and floor polishes.

11202. But you are not interested in those at present?—No.

11203. With regard to the making of oil for soap-making, do you know anything about that industry? Are you prepared to give any evidence on that?—I can say we are far enough advanced; what I do not know my son does. We can use vegetable oils in this Colony. We can produce oils out of tallow. Only we have not the inducement; there is no stability. Of course, my one factory must stand on its feet, and have a good foundation, before we can extend our working.

11204. You would probably be prepared to go into this oil business if the tariff was fixed for a number of years?—Yes.

11205. You might induce capital to go into this business?—Certainly.

11206. That would be of benefit to the country? Certainly. I am a firm believer that we, the manufacturers, will also render a great impetus to growing things on the soil which at present are not growing, out of which the farmer and the whole country can benefit. If the merchant would look at it from this point, that when we induce the farmer to grow the one thing we require, things will go through the hands of the merchant to be exported which do not now. We can create an export trade. But, if you will excuse me, I cannot give away my best trump cards now.

11207. You say your candles are equal to the best imported?—Fully.

11208. As good as Prices'?—You can judge for yourself [*producing samples of candles*].

11209. What is the difference?—The difference is in the colour; ours is the whiter of the two, viz., cleaner and harder.

11210. Yours is a purer candle?– Yes.

11211. *Mr. Tod.*] Are you quite sure that your candles are not retailed at less than the imported?—I have already said ½d. a pound. It depends on the dealer.

11212. You turn out 150,000 lbs. of candles a month?– Yes.

11213. Had those candles been imported, the duty in a year would have amounted to £3,650. If the public only get those candles at the price of the imported, I want to get from you what return you are making for this £3,650 of revenue which the State has to forego?—The wages.

11214. They amount to about £7,000, which practically means that the State pays half your wage bill, while the public only get the candles at the same price as the imported?—I pay £7,000 in the way of wages, etc. That is local expenditure. Then, besides that, I spend about £900 on tallow.

11215. I understood you to say tallow would not do for candle-making?—Of course it does. I have my own way of cleaning it to some extent, and rectifying it and improving my candles, but that is my secret.

11216. *Mr. Scott.*] Do you pay taxes? Of course, and for the education of my children.

11217. *Mr. Kayser.*] There is income tax?—My income tax has been nothing in the last five years.

11218. Is this the best candle made by Prices?– *Mr. Burmeister, Junr.*: This is the candle we have to compete with, and the sample of ours produced is the one we make to compete.

11219. It is not the best Price's make? No. We make a better candle, but it is not a saleable kind.

11220. *The Chairman.*] Do you not think if you get the increased protection there will be a danger of increasing imported coolie labour? –*Mr. Burmeister*: What have we to do with our own?

11221. You admit that Natal are using this coolie labour. In this and other industries they are competing in the Cape Colony by that means. Do you think it would be to the benefit of South Africa to promote industries of that class?—I would rather, for the benefit of the Colony, see our own coloured population have their work, and live here happily. If we get coolie labour here we will have disturbances.

11222. Will you not admit that if you get protection for five or ten years there are men who may not be so conscientious or high-minded as you, who will use coolie labour? Natal compete with coolie labour in soap, candles, and matches against Cape Colony. Do you not think there is a great danger that that class of labour will be very largely increased if protection is given for five or ten years? —There is a great danger there.

11223. If we give the increased protection, how can we guard against that?—We are having an Immigration Law.

11224. Could you do that with Natal? Natal is within the Customs Union. Do you not see the difficulty?—Yes, I see the difficulty very much, and have thought it out very carefully. At the present moment this question seems to be a very ticklish one. Seemingly, we are not in a position to keep them out.

11225. We have it in front of us now. We have it in evidence that Natal, by cheap coolie labour, is competing and underselling in soap, candles, and matches in the Cape Colony. If we give increased protection, will there not be great danger of that increasing? Practically the whole of the trade will go to Natal. Will that be for the benefit of this Colony, or for South Africa?—We, who want to build up inindustries in South Africa, want to be protected against the dumping from other countries. Colonial competition will protect the consumer under a protective tariff.

11226. Would you be prepared to break up the Union?—If we were looking at it from this point of view. If we have no remedy, and no remedy can be found to keep the Asiatic out, then, of course, it is very difficult.

11227. You see the danger?—Yes.

11228. And the difficulty the Commission have in recommending increased protection under these circumstances?—Yes.

11229. I suppose you have the contracts now for the mining candles in the Colony; the present protection has given you those contracts?—Yes.

11230. The Cape Colony manufacturers have the contract for De Beers?—Yes.

11231. Do you not think there will be a great difficulty—that the mining interests will strongly oppose any increase in the duties on candles?—Yes. You see the Colonial factories themselves are competing with one another for that supply. It would be a pity if Natal stepped in and ousted the Colonial works.

11232. Do you not see the danger? They are competing now by cheaper labour in soap, candles, and matches. How will you guard against that, because increased protection will develop the industry there, and they will cut you out? They will get their own prices for the local markets, and cut you out by what you call dumping?—As long as we have sufficient elbow-room against the world over the water things will right themselves in South Africa as far as candles are concerned. It is impossible to guard against local competition.

11233. Do you object to the candle manufacturers in the inland towns being put on the same basis as you for railway rates?—No. They have the same benefits as we have.

11234. They have not. You get special rates to Kimberley and other places from the ports. That is what the inland manufacturers complain of?—Not to Kimberley. They are carried at third-class rate, and the inland towns have this same rate for Colonial manufactures.

11235. It does not apply in some cases. In King Williamstown they pay the same rate as East London, and they are nearer?—It may be.

11236. Those are the disadvantages that the inland towns complain of—that preference is given in the railway rates to coast ports?—I am not aware that Ginsberg pays more than the third-class rate.

11237. He pays the same rate as East London, and East London is thirty miles further away than King William's Town? That is an anomaly, which should not be there.

11238. You do not object to the inland manufacturers being put on the same basis as the coast manufacturers in regard to the railway rates? No.

11239. I suppose it is cheaper for you to sell through a middleman than to sell direct. Would it be to the benefit of the consumers if a number of manufacturers combined and did away with the middleman?—They would have to get travellers and a distributing establishment, which would cost them a mint of money, and they would immediately have to raise their prices considerably.

11240. They use the merchant or middleman because it is cheapest?—The merchant has his business already established, and his connections, whereas we come with another establishment and increase the price if we supply direct.

11241. The present is the cheapest way of distributing? Yes.

11242. *Mr, Kayser.*] Cheaper for you?—Yes.

11243. *Dr. Viljoen.*] In confirmation of the statements of the Chairman, do you know that within the last two months a large consignment of candles from Natal was landed in East London and sold cheaper than the King William's Town manufacturer could deliver?—I have not heard of it.

11244. Would you be surprised if it happened?—No. Natal evidently makes a special effort to introduce the stuff.

11245. Is it a thing you would anticipate—that candles might be landed in Cape Colony from Natal at a lower price?—They have done it here. I have mentioned it as one of the instances that the prices would not go higher. They keep us down.

11246. They have actually done in Cape Town what they did in East London? They undersold you?—Yes.

11247. Is there not a fear that we might have in South Africa a repetition of what has happened in other parts of the world—that when you have these strong protective walls put round our country, you will have combines and trusts? Is there not that danger?—It may come, but not with my proposition here: it cannot.

11248. Are you aware that we have trusts here already?—Yes; I know some.

11249. From the experience elsewhere, these trusts have a very pernicious effect on the population at large?—Yes, but I do not think the conditions here are such, as a whole, that trusts can grow here.

11250. If you have combines already, why should you not have combines in other things? You know what the combines are? Which are the combines at present existing in South Africa?—I might think of something which is a combine or of something which is not a combine at all, and I would sooner not mention names. I can only go by what I think.

11251. Are not the match factories a combine now? It is a simple company, like others.

11252. Is there a Tobacco Trust?—I could not tell.

11253. *Mr. Harlow.*] Could the berry-wax be used for candles?—No. Its melting point is too low. I could make a candle of it, but it would run. If I made it with a big thick wick, like the former tallow dips, it might do, but it would be a dirty thing, which no one would use.

11254. By cleansing and other ingredients being added, could it not become a portion of the composition of stearine?—No. The best way it is used is for toilet soap and floor polishes.

11255. You can use it for a local production?—For toilet soap and floor polishes.

Mr. Burmeister, Junr.] In regard to soap manufacture, I think the prospects in South Africa are not only very excellent, but the industry is necessary for the country. We will be producing such a tremendous amount of tallow, which has to find its outlet, that we either have to export it or use it for manufacturing here. Not only that, but we are producing in Natal at the present moment cocoanut oil, used for the manufacture of blue mottled soap, which is one of the common types of soap in the market at the present moment. Therefore it is certainly a very important industry for South Africa, because it is bound to develop, on account of the raw materials which are in the country, and which must be produced by the population on the soil itself in the cultivation of its natural resources, viz., its live-stock production.

11256. *Mr. Pyott.*] You are not interested in soap?—Not at the present moment. There are several vegetable oils produced in Natal at the present moment which are used in the manufacture of soap, and which could be increased.

11257. *The Chairman.*] The present protection on soap is quite sufficient?—I think it is sufficient at present.

11258. They are using Colonial blue mottled soap now?—Yes.

The Chairman of the
Government Commission on Colonial Industries,
Cape Town.

Dear Sir,—I respectfully beg to submit to the Commission the following, viz.:—

In the course of my examination on Friday, the 6th December, Mr. Tod put to me a question, which, according to the report in the *Cape Times*, reads:—

> *Mr. Tod.*] Seeing that if candles you make were imported, the State would have obtained last year £3,600 in duty; it practically means that the State pays half your wages and people get candles no cheaper, and seeing that you are using entirely imported products, what use is your industry to the Colony?
>
> *Witness.*] I am paying £7,000 a year in wages—that is local expenditure. I am spending about £900 besides that in tallow.

I fully realise the seriousness of Mr. Tod's question, and I feel that my answer is far behind what it should have been. The Commission, I trust, will therefore permit me to augment my evidence.

Before I proceed I desire to claim the indulgence of the Commission, if my explanation becomes somewhat extensive. It cannot be otherwise, because my arguments will of necessity touch upon the whole question of protection for Colonial industries. I trust you will believe me when I assure you, that my aim is, not only to justify the existence of my own industry, but also to contribute my share towards showing the urgent necessity of stimulating industry and employment all over the Colony.

Reverting to Mr. Tod's question, I will start with the leading point, viz.: "What use is your industry to the Colony?" My reply is: It affords employment and sustenance to a large number of working people and their dependents, white and coloured, whose wages are spent here in this Colony, who buy and consume all their requirements here, and pay rates, rents and taxes.

On the other hand, those who make the imported candles must be paid by us in hard cash, which is entirely lost to the Colony; they do not buy their requirements here, and pay no rates, rents or taxes in this Colony; or, in other words, we send our hard cash over the water, get our work done elsewhere and our own working people are deprived of means of existence.

I now come to the sentence: "Seeing that you are using entirely imported products and people get candles no cheaper?" I have already pointed out in my written declaration, when dealing with the necessity of stability, that my factory can be extended in the direction of making a huge part of my requirements from Colonial productions. It is entirely the fault of the frequent changes in the Customs Tariff that this much desired end has not been accomplished as yet; once already I have been on the brink of ruin through the same cause, and unless a fair tariff is created and a reasonable time is given to work out and develop my works I cannot risk my last penny, and then be smashed up entirely by another change next year. But, as I have stated already, I am using about 25 per cent. of Colonial produce, and am open and ready now for every increase of supply. What more can reasonably be expected under the circumstances?

As to price of my candles, I maintain that candles have never been as low in price as now, and my patrons have never had a quality of candles to equal those which I produce. I pride myself upon the fact that I have at last been able to develop my factory sufficiently, so as to sell to our wholesale houses even under the imported candles of even grade in quality. I can produce any quantity of candles required; it is simply a matter of additional labour. If only the importation of the low grade rubbish can be stopped, then more people can be employed and more money will be retained in this Colony—all in favour of the workers and trade in general.

As to the importation of material, I do exactly the same as British and Continental manufacturers do, viz.: I get the material from all parts of the world where suitable stuff is obtainable; nobody has as yet taken offence at the fact that British and Continental makers obtain their raw material by importation from abroad. The principal candle material, viz. paraffine wax, is not produced in South Africa, nor in sufficient quantities in Europe. The cost price is ruled by the world's market, therefore it is unreasonable to expect that Colonial makers of candles can do better than the big concerns in Europe and supply at a lower rate than they can. It stands to reason, that, as soon as our fiscal policy takes a turn to the better as indicated, so as to enable us, without further risk, to develop factories, as required for larger manufacturing of Colonial productions, then as a natural consequence the importation of part of my requirements will be curtailed in the same ratio as the Colonial productions come forward.

Reverting to the sentence: "Seeing that candles you make were imported, the State would have obtained last year £3,600 in duty, it practically means that the State pays half your wages." This is one of the stock arguments of the opposition camp, opposed to manufacturers, and I have no doubt, that Mr. Tod only wished to hear the opinion of a manufacturer on the same, especially as in the published proceedings of the first day of the Commission's sitting, an agent for British Manufacturers delivered himself freely in a similar manner, condemning all soap, candle, and biscuit works in the Colony. It is clear that, when soap, biscuits, candles, etc., are made in the Colony, the importation falls off, and Import Duties come down. The remedy for the outfall of Revenue is already in existence, viz., the Income Tax, with perhaps a modification to suit the altered circumstances.

Create a prosperous industrious population and revenues will rush in in all directions. Money in the pockets of the multitude will be spent, they will not only spend it on the necessaries of life, but also on all sorts of luxuries, which will, of course, be subject to duty for revenue purposes. But supposing that the Customs Tariff is decided against the stern necessities of the manufacturers, then the still remaining rest of decent workmen will leave our shores, our factories will be closed, and as no money is then earned; very few remain to pay duties on imported articles, and what will then become of trade and revenue?

I admit, there is the farmer, our mainstay, who bids fair to do well in various ways, I wish him well and appreciate his recent endeavours and achievements. But, would he not prosper all the better if we had an active and flourishing manufacturing population which would provide a good paying market near home?

Public speakers of high repute have often complained that Colonial manufacturers are not able to supply the full demand, and they strongly recommend them to prepare for the demand. I for one have passed that stage; I am ready for big work, so are others, and you may rest assured, that, as soon as a fair and reasonable tariff is in existence, smaller manufacturers as well as larger concerns, which are now stopped will let no grass grow under their feet and will soon be in a similar position.

Reverting once more to the Income Tax as a substitute for State Revenues lost through the development of Colonial industries, I desire to point out, that manufacturing people will certainly and most willingly pay such a tax, after they are in the position to work and earn the where-with-all, from which they can pay taxes and revenues to the State.

At present our greatest asset, the creative power for the creation of value and wealth, viz: The willing arms, muscle and brains of our working population lies idle; no wonder the State coffers are empty and our working people are idle, or have left our shores in disgust. It is high time that we look to our own interest as first and foremost; if we cannot pay our way then outsiders will snap their figures at us with contempt.

I have the honour to be,
Dear Sirs,
Yours Faithfully,
H. A. P. BURMIESTER.

Cape Town,
10th December, 1907.

Soap Making.

Walter Beer (representing South African Chemical Factory, Maitland), examined.

11259. *The Chairman.*] You wish to speak on soap-making?—And leather polishes and similar manufactures.

11260. Will you make a statement to the Commission of what you want to bring forward?—I sent in a letter, which I would like read. [*Letter read as follows.*]—

> Dear Sir,—In the capacity of manufacturers of various articles, principally household soaps and leather polishes, we herewith beg to submit to the Committee a few points urging the necessity of increasing the duty on these articles.
>
> We started soap making in July, 1907, and have two boilers going, which enable us to turn out a quantity of about 35 tons per month. We are about to enlarge this plant, by which it will be possible to manufacture 200 tons per month with ease.
>
> At the present we employ at our factory 15 skilled and unskilled labourers, and 2 Kaffir boys. We are using colonial tallow, of which we are getting a regular supply. All our boxes, cardboards, printing, &c., are done locally.
>
> Considering the more expensive labour, fuel, and other materials, such as boxes, printing, &c., as already pointed out by several witnesses during the sittings of the Commission, we are of opinion that the soap industry is not sufficiently protected.
>
> We maintain that if the agricultural industry will develop as it has for the last few years, a sufficient quantity of tallow will be produced to supply the needs of the whole of South Africa for soap, candle, and other manufacturing purposes, and even allow a large quantity to be exported, as is the case with Australia.
>
> We strongly recommend that the present duty of ½d. per lb. on household soap should be increased to at least 1d. per lb.
>
> If this was done a large number of labourers could be employed, a greater amount of money would be spent locally, and, on the other hand, a great number of other industries, such as cardboard and wooden box making, and the agricultural industry for berry wax and tallow, &c., would greatly benefit by it.
>
> The same remarks apply to leather and wax polishes, &c. We are turning out polishes of all descriptions, to the amount of about £2,000 per annum.
>
> These polishes are generally recognized as being equal to the imported article.
>
> At present these articles are not enumerated in the Customs tariff, and therefore would range under Class 6, viz. : 15 per cent., less 3 per cent. rebate *ad valorem.*
>
> Under consideration of the merits of this industry, being established in the country for the last six years, providing labour for a number of people, and spending money locally for any materials required, such as wax, tallow, salt, lime, boxes, and printing, &c., we are of opinion that the duty on the imported article should be increased.
>
> We propose to place all the leather polishes, packed in tins, bottles, or pots, also wax polishes, for floors, harness, dubbin, also metal polish, in powders or paste, under *Class 3*, viz. : 25 per cent. *ad valorem*, with a rebate of 3 per cent.
>
> In conclusion, we urgently place before you the merits of the above industries, hoping that you may give the subject your earnest consideration, by recommending the increased duty, as proposed above.

11261. Do you wish to make any other statement?—That is about all I have to say.

11262. *Mr. Scott.*] Have you said how long your factory has been in existence?—It has been in existence for the last six years or so.

11263. Where is the factory?—At Maitland.

11264. You employ fifteen skilled men?—Skilled and unskilled. We have one European expert, who gets a salary of £15 a month, and about two skilled and twelve unskilled white labourers, and two Cape boys.

11265. You have only two Kafir boys out of fifteen. Thirteen are semi-skilled labour?—Yes. It is more or less mechanical labour.

11266. What is the average wage you pay the men?—They are not all men; some are girls. I pay the men an average of between 15s. and 25s. a week, and the girls between 10s. and 17s. a week.

11267. So these workmen are more or less skilled labourers?—We educated them ourselves.

11268. Do you make your cardboard boxes on the factory?—We do not make them ourselves; we get them all made locally.

11269. Is your printing done in the Colony?—All done locally.

11270. With regard to the tariff on soap-making, you propose it should be increased to 1d. a pound?—The duty on imported household soap, whether wrapped or unwrapped, should be increased by at least ½d.

11271. Do you make the common soap?—We make the commonest household soap in bars, and up to a medium quality in wrappers—stamped and printed.

11272. And also toilet soaps?—No, but I intend to take them up.

11273. I think you mentioned you use all Colonial tallow. Is that so?—Yes.

11274. Can you get sufficient?—At present we can. We are only turning out about 35 tons a month, and for this quantity we have no difficulty in getting the tallow. Maybe when we enlarge our plant we shall have to import it, but I consider there should be no difficulty in getting sufficient Colonial tallow.

11275. Do you intend enlarging your plant?—Yes. We intend to start in January.

11276. To what extent will you enlarge it?—So as to enable us to turn out a quantity up to about 200 tons a month, as far as soap is concerned.

11277. So there will be an enormous increase?—Under the present tariff soap will not pay unless we have a turnover of at least between 150 and 200 tons a month.

11278. Do I understand you intend doing that even if the tariff remains as at present?—Very likely.

11279. Why is it you ask for protection if you are satisfied with the present tariff?—I did not say I was satisfied with the tariff.

11280. But you are intending to increase your plant?—In order to make it pay.

11281. The larger output?—Yes.

11282. 200 tons a month?—Yes.

11283. You are merely asking for protection in order to get the trade; is that so?—In order to get the turnover.

11284. But to get the business as well?—Of course.

11285. Will you increase your price?—We would not.

11286. Will you tell us why?—If we made the price the same as the imported, for instance, people would prefer the imported article. That is usual. They are still very prejudiced against anything that is made in this country.

11287. But if you produced 200 tons a month would you be able to bring your price down?—I could not bring it down any further. We already sell much below the imported soap.

11288. So your contention is, if you get the increased business you will not increase your price?—No, we do not intend to; we cannot, because the competition is so keen.

11289. What is the competition in the Cape Peninsula? Are there many other soapmakers?—There are about six or eight factories to my knowledge in the country.

11290. I mean in the Cape Peninsula?—There is Mr. Nannucci, at Woodstock.

11291. Is he a large producer?—Yes. I daresay he also would enlarge his plant if he was protected.

11292. You say there are from six to eight in the Cape Colony producing soap?—By the way, did you see the article Mr. Nannucci wrote to the newspaper this morning? He suggests his idea with regard to the duty. He says he is not able to work his factory at a profit with the present turnover of about 50 tons a month, which is even more than I turn out. The article is cut so fine that he has to pack his soap into second-hand paraffine boxes. Now, that does not look very nice; you should get respectable-looking boxes. That is what we do, and if it does not pay Mr. Nannucci with a bigger turnover and cheaper boxes to keep on the factory, how can it pay me?

11293. Is your article sold much cheaper than the imported?—Yes.

11294. How much?—Compared with the soap of the same quality, it is about 1s. 6d. to 2s. per hundred pounds. We have to sell at that price in order to have a turnover at all.

11295. To get the market?—Exactly.

11296. Do the merchants stock your soap freely?—They do at the present moment, because we have reduced the price as far as we can.

11297. You find the merchant is assisting you by stocking your soap?—Yes, if he sees there is an advantage.

11298. Coming to leather polishes, would you be in a position to make all the leather polish required for South Africa?—There is not to my knowledge a single polish which we could not turn out of the same quality.

11299. Are there any other factories making leather polishes?—I believe there is a small factory at Kimberley, but I could not tell you the name.

11300. What is the duty at present on leather polishes?—It is not enumerated in the tariff, so I believe it would range under Class 4—15 per cent. ad valorem, less 3 per cent. rebate.

11301. You suggest it should be under Clause 3—25 per cent., with a rebate of 3 per cent?—Yes.

11302. For all leather polishes?—Yes.

11303. Are you quite sure you can make all those polishes?—Yes.

11304. Have you brought any samples with you?—I have not, but I could easily let you have some.

11305. Have you any recommendations for your polishes—people who have used them?—I never tried to get any. As long as I got the repeat orders, I was quite satisfied.

11306. Can you tell us the extent of the business you are doing in polishes at the present time?—The turnover per annum comes to about £2,000 in polishes, 11307. And these are sold to the harness and boot people, I suppose?—They are generally sold to the wholesale people, who distribute them to retailers. We chiefly do a wholesale trade.

11308. Have you any advantage over the imported article?—No; I think we have a distinct disadvantage.

11309. How is that?—In the first instance the prejudice against Colonial-made articles. Then we have to pay duty on some of the raw materials which are being imported.

11310. What raw materials do you import?—Different kinds of wax—turpentine, for instance.

11311. Is there now wax in the country that you can use?—Most decidedly; there is beeswax and berry-wax produced.

11312. Is the berry-wax suitable?—For certain kinds of polishes.

11313. Can you get berry-wax in any quantity?—Not up to the present; I have tried very hard, but we could not.

11314. And is beeswax obtainable?—Beeswax is equal to any of the imported artificial waxes, and I should very much prefer to use Colonial beeswax than any of the imported ones. Of course, the difficulty is to get the wax at the present moment.

11315. Is there any prospect of getting it later on?—Yes, if the wax-producing industry was properly encouraged.

11316. Can you make any suggestion which would increase the wax producing?—Yes—if the Government would give an inducement to the farmers to produce the wax.

11317. What do you mean by inducement—a bounty?—A bounty in the first instance, and perhaps granting leases free of charge, or at a nominal rate, especially as far as berry-wax is concerned—to collect the berries, and melt them down, and dispose of them on the market. There is a tremendous amount of berries in this country.

11318. In the Western Province?—Yes.

11319. And in the Eastern Province?—Yes. They are not far from town even.

11320. *Mr. Pyott.*] I see from your statement you commenced to make soap in July this year?—Yes.

11321. So you have only been in existence four or five months?—As far as soap-making is concerned.

11322. You said you would get sufficient tallow in the country?—Yes.

11323. Supposing you increase your output to 200 tons a month, will you be able to get sufficient tallow in the country?—I do not know. I have had no difficulty in getting the quantity I have required so far.

11324. What is your impression? Will you get sufficient tallow in the country to make 200 tons a month?—At the present moment I doubt it.

11325. What is the price you are giving for tallow to-day?—The price to-day—depending on the quality—is between £22 and £25 a ton.

11326. Can you tell me the value of tallow on the English market?—I have not seen the latest reports, but I believe it is something like £20, though I could not say for certain.

11327. Are you speaking of the highest or the lowest quality?—Of the medium quality.

11328. You could get a tallow for less?—Yes. I do not think it would pay a soapmaker to get a lower class tallow.

11329. Do you propose to increase your factory before knowing what the Customs Convention are going to do in regard to the protection on soap?—I am thinking of starting the extension any way. It will take some time to make the necessary preparations.

11330. You are selling your soap at 2s. a hundred pounds less than the imported?—Yes, up to 2s.

11331. I take it that is quality for quality?—Yes—considered the same quality in the market.

11332. And you are giving practically £2 to £5 per ton more for tallow than you would pay in England?—Yes.

11333. You are giving practically the same price as you could import tallow from England for?—Yes.

11334. You would not bring it from England?—No, because England imports it herself. I would bring it from Australia or the Argentine.

11335. Is there any other raw material for soap besides tallow which you can get in this country?—Not that I know of.

11336. You mentioned berry-wax?—You cannot use that for household soaps. That would make it too expensive. You can use it for toilet soaps. I am only speaking of household soaps.

11337. Do you send much soap to inland towns like Kimberley?—I have not had any difficulty, so far, in disposing of the soap locally in Cape Town and suburbs.

11338. Do you sell it to the merchants?—To one wholesale firm in Cape Town.

11339. They take all your soap?—Yes.

11340. You do not know whether they send it to the back country?—They might.

11341. Have you any idea what protection you get over the railway?—The railage to Kimberley, for instance, compares very favourably.

11342. Tell us exactly what is the difference between the carriage on your soap and the imported?—I can only tell you the carriage for the Colonial produce.

11343. What is the carriage for your produce?—4s. 9½d. per hundred pounds.

11344. You have practically protection over the railway of 6s. Do you not think the present protection on soap of 4s. 2d. and 6s. over the railways is sufficient to carry on the industry successfully in this country? I beg to doubt it.

11345. You are aware, I suppose, that you can get tallow in free here?—The imported tallow is duty free.

11346. And your caustic soda is also free?—Yes.

11347. Cottonseed oil?—I believe that is also free.

11348. And cocoanut oil? There is a duty of 15 per cent., but I consider it should come in free.

11349. And palm oil free. We have had evidence of other soap-makers, and I think the position they took up was that only in case the preferential railway rate was altered would they require ¼d. more per hundred pounds. I am speaking of the other parts of the country where we have been, where there are other large soap-makers. You do not think that would be sufficient?—I do not think it would be.

11350. I think you said you employed 15 hands in your factory?—Yes.

11351. How many of those are skilled workmen? I would call two of them skilled.

11352. Earning wages at what rate?—Two of the labourers earning wages of about £1 or so a week. The foreman gets £15 a month. He is an expert chemist and practical soap-maker. The others are ordinary labourers.

11353. Your average wage for the unskilled labour is how much?—Between 15s. and 25s. a week.

11354. I think you point out to us that it is the expense of labour which causes you to ask for the further protection? Do you think in any country in the world you will get labour cheaper than from 15s. to 25s. a week?—Yes, in England.

11355. You will get labour cheaper than 15s. to 25s. a week?—Yes. There are people in England living on 15s. a week with ease. I am talking of the labouring classes.

11356. What percentage over and above England do you think you are paying to your unskilled labour to-day?—I believe it is about 25 per cent. more expensive than at Home.

11357. That is to say a girl earning 15s. here would get 11s. or 12s. at Home?—Yes.

11358. And a man earning 25s. a week would practically get about 19s.?—Yes.

11359. What is the value of a ton of soap?—It depends on the quality.

11360. Take an average quality?—The average quality of a ton of soap is £20 to £22.

11361. How much of that £20 or £22 is represented in labour? I have not worked it out so far.

11362. Could you not give us that? You see to-day you have something like 30 per cent., and you want another 30 per cent., which is 60 per cent., on soap, and that is to cover the expense of your labour and fuel and boxes. We want to see if your demand is a reasonable one?—I should not like to make a statement without going into it thoroughly.

11363. Will you send us a statement of the value of labour in a ton of soap costing £20 to £22?—Yes.

11364. You know you are getting a preference over the railway for your Colonial made soap?—Yes.

11365. And that preference is something like 3s. 11d. per hundred pounds, which is ½d. a pound. Are you prepared to do away with that preferential railway rate?—That would mean we would have to stop the up-country trade to some extent. It would affect the up-country trade to a great extent.

11366. Your purchaser in Kimberley would have to pay more for the carriage on your stuff; he would have to pay equally with the imported?—I would not mind the preferential railway rates being done away with if the duty was increased to 1d.

11367. That would leave you exactly in the same position, for a Kimberley basis, as you are to-day?—Exactly, but I am thinking, in the first place, of the local trade.

11368. You are not interested in the back country?—In the first instance I want to work the local trade.

11369. So you would not ask us to increase the duty any more than you suggest now if the differential railway rate were taken away?—If the railway rates remained the same I still consider the duty should be increased.

11370. Supposing the differential railway rates are done away with, would you be still satisfied with your proposal to-day of 8s. 4d. per hundred pounds?—I personally would be satisfied.

11371. You are getting your boxes made locally?—Yes.

11372. How does the price of them compare with the imported? Have you imported any boxes?—Some time ago. I do not remember the prices.

11373. You cannot tell us the comparison between the cost of the two?—No.

11374. You are getting them satisfactorily made here?—Yes.

11375. You are getting your printing done here?—Yes.

11376. Have you had any printing done in England?—Maybe some years ago.

11377. You are satisfied with the printing you get done in this country?—Yes.

11378. You put the polishes up in tins?—Tins or glass pots.

11379. Do you get the tins made here?—We have to import them, because, so far they cannot be made in the country.

11380. What effect will this increase in the duty have on the public?—It will not affect the price the consumer has to pay in the least. We are selling now below the cost of the imported article.

11381. Supposing the soap factories of Cape Colony are not in a position to supply the demands of Cape Colony, will not the consumer have to pay more for the imported soap? Are you talking of soap or polishes?

11382. Soap. Supposing you increase soap from 4s. to 8s. per 100 pounds and the factories in Cape Colony are not in a position to cope with the demand for soap, will the price to the consumer be increased?—It will not be over and above the price of the imported soap.

11383. The merchant has to pay 4s. more for his soap to the Customs, and he will have to charge more to his customer, and that will increase the price to the customer. You admit that?—Yes.

11384. Your point is that if they use Colonial soaps the price will not be any higher; you will not raise the price?—If tallow and the other raw materials come in free I will not.

11385. But you are not very sure on that point?—I do not think I would increase the price.

11386. Will the price to the consumer be increased by this 4s. extra on soap?—Not the price of the Colonial soap.

11387. But you cannot speak for the price of the imported soap?—Of course not.

11389. *Mr. Harlow.*] In reference to this up-country trade, do you know what protection you have on the railway from here to Kimberley?—It is about 3s. odd per hundred pounds.

11389. I think you will find it is nearer 5s. Supposing you got this increased duty, could you supply the whole of the demands of Cape Colony?—Mine is not the only factory in the Colony.

11390. I am speaking generally of the whole of the factories?—Yes, I am positively certain of that.

11391. Do you know what the imports were for the last nine months? I am taking soaps, toilets and powders?—I should think about £200,000 worth.

11392. There was not so much as that. You do know what the weight was, I take it?—I consider about 8,000 tons.

11393. There were nearly 10½ million pounds, including toilet soaps, powders, and so forth. Could you produce that?—I think so, easily.

11394. You must bear in mind that that is over and above what you are making?—Exactly.

11395. You think you have the facilities?—There are about eight factories in South Africa. At each factory there would be about 750 tons required to be produced within the nine months over and above what they are producing now. I think that could easily be done in the eight factories.

11396. That is practically 1,000 tons per month for the eight factories over and above their present production?—Yes.

11397. You think that could be done?—Yes.

11398. If your turnover was increased to 200 tons per month, how much labour would you employ?—Do you mean expressed in value or hands? There would be between 20 and 25 hands all told.

11399. It takes 15 to turn out 35 tons?—That includes the polish department, which actually requires more hands than the soap.

11400. From what source do you obtain the raw materials for your polishes?—I mostly import them from England.

11401. Do you import practically the whole of your materials for your polishes from oversea?—About 75 per cent.

11402. Can you tell us how many hands are directly employed in the manufacture of these polishes?—Eight or nine.

11403. That leaves only about six employed in your soap-making?—Yes.

11404. You said you had 15 unskilled whites, ranging from 15s. to 25s. per week?—Yes.

11405. Could you give me a definition of what you call household soaps?—I call household soap a good quality of soap for use in the household, for laundry purposes, or even for use in the bath, such as Sunlight Soap.

11406. A soap similar to Sunlight?—Yes, or inferior classes but still good qualities, like Defiance brown soap for use in the kitchen.

11407. What about blue mottled soap?—That is also a household soap, but I would call it more especially a laundry soap.

11408. Do you make any soap powders?—Not just now.

11409. If this duty were put on soap, do you think you would?—I have never gone into that matter.

11410. Really the consumer would have to pay the extra duty on soap powder if he wished to use it. You are asking for an extra duty, and are not producing it?—I think we could easily produce them. I do not see why the price of soap powders should be raised.

11411. If you put on an extra 1d. per pound they will have to pay that, will they not?—We need not increase our price of the soap.

11412. But you are not producing this?—I think we could easily.

11413. But you are not doing?—Not at the present moment; there may be other factories who do.

11414. Do you know one?—No.

11415. Supposing the duty were taken off printed matter, would you still have your printing done locally?—Yes. I am always in favour of patronising Colonial industries as long as I do not suffer.

11416. That means if the 25 per cent. were taken off you would not support the Colonial industry, because you would get it 25 per cent. cheaper from oversea?—There is the freight to be taken into consideration, but I do not think I should support Colonial industries so much if the duty was taken off printing materials.

11417. You would only support the Colonial industry if you could get it cheaper than you could import?—No. I believe I am buying printing material which is actually more expensive than I can import.

11418. But you have not gone into that matter?—I have not.

11419. In reference to berrywax, do you use that for all kinds of soap, or only one particular class?—Berrywax is too expensive to be used for household soaps. I am sure it could be used for toilet soaps.

11420. You have not experimented with it, I take it?—Not up to the present moment, but I know for a fact that it can be used for toilet soaps with advantage. There is a tremendous amount of berries growing which, if melted down, would give employment to a great number of people, and there is any amount of berrywax to be had not only sufficient to supply any manufacturer in this country but also to leave sufficient to export even, as it is an article which is very much used at Home.

11421. The Colonial berrywax?—Not the Colonial berrywax, but berrywax from other countries.

11422. *The Chairman.*] Have you ever considered the question of the coolie labour in connection with the manufacture of soap?—I have not had time to consider it.

11423. Does it not affect you in any way? Soap manufactured in Natal by cheap coolie labour is being put down in the Eastern ports in competition with the local manufacture?—I think there is some truth in that—they being able to get labour so cheaply.

11424. Supposing we put a further protection on these industries, do you not think the manufacturers of soap will employ coolie labour in order to compete?—I do not think so. If further protection is put on, even with the cheaper labour, I think the industry will have very good prospects.

11425. Supposing Natal bring their soap to Cape Town. They get labour at half the price you do. Will they not cut you out here?—I know there is some soap imported from Natal, but I do not think it amounts to much.

11426. You do not think it is possible for them to cut you out of your own market by cheap labour?—No, I do not think so.

Cart, Carriage and Wagon Building.

Archibald Gray and Francis Malyon, Carriage and Wagon Builders, examined on the following statement put in, of suggested alterations in the tariff of the duties on articles affecting the Carriage Building Industry.

1.	On all two-wheeled horse drawn vehicles	each	£15 0 0
2.	„ four-wheeled horse drawn vehicles	„	25 0 0
3.	„ carriage, cart and wagon bodies, whether painted or unpainted, trimmed or untrimmed	„	10 0 0
4.	„ wheels, wood, painted or unpainted	per pair	4 0 0
5.	„ undercarriages and undergears in wood and iron, and painted or unpainted	each	2 10 0
6.	„ bent timber, including shafts, rims, cart bows and spokes up to 2 feet	*ad valorem*	3 %
7.	„ spokes over 2 feet. No alteration suggested.		
8.	„ carriage, cart and van lamps	*ad valorem*	3 %
9.	„ naves under 9 feet in diameter	„	3 %
10.	„ naves over 9 feet in diameter	„	15 %
11.	„ indiarubber tyres. No altertion suggested.		
12.	„ springs, axles, bolts, nuts and axle bushes		Free.
13.	„ items not elsewhere enumerated	*ad valorem*	3 %
	„ motor car bodies	each	£25 0 0
	„ motor chassis	*ad valorem*	5 %

11427. *The Chairman.*] Do you wish to add anything to the statement you have put in?—*Mr. Gray*: Nothing, except to pass a remark to the effect that the number of workshops in the coach trade in the Cape Colony to-day is 337, and the value of the plant used in the factories to-day is £79,905, while the value of the land on which the workshops stand is £112,864. I could not find whether that included the buildings or not.

11428. *Mr. Scott.*] This tariff of yours is a suggested one. You give for a two-wheeled horse vehicle £15?—Yes

11429. And a four-wheeler £25, and so on. Will you tell us why you differentiate between the two-wheeler and the four-wheeler?—The present duty is 25 per cent. on vehicles. You suggest an alteration. Will you tell us why?—In the first instance, we have a lot of cheap American wagons coming here built at about £18 apiece on the other side. That is about as cheap a wagon as you can get on the other side. Our object in asking for £25 specific duty is to prohibit these wagons from coming in. It is a cheap line of vehicles, and the 25 per cent. duty is no use to us.

11430. Is there any difficulty in the Customs arriving at the value of a vehicle? —I do not see how they can arrive at its value, because they may be an over-production, brought out here to be sold at a cheap rate.

11431. You make this suggestion because you think it will have the effect of shutting those articles out?—That is my opinion.

11432. In fact, instead of an *ad valorem* duty you propose a rated duty?—Yes.

11433. Do you think that will help your trade?—It would help us considerably.

11434. Do people evade the value of the articles they import?—We are not in a position to say that they do in declaring the value, but our point is that these things are over-production in other places, and you cannot tell what price they have been bought at.

11435. I know a firm of bankers who went Home and bought three or four vans at a bankrupt stock at £30 each, when the usual selling price was £60?—They told me so.

11436. That would be the correct value if they bought at that price?—Yes.

11437. But it would be a second-hand article?—No. It would be a new article bought from a bankrupt stock.

11438. Is there much of that done?—Plenty.

11439. Can you say how much?—There are five or six cases I know of where that has occurred, not specially on that van but other vehicles.

11440. I suppose the Customs would look after that if it was done frequently? —I do not see where the Customs would be in a position to contradict the man's statement as to what he paid for a vehicle on the other side.

11441. If you had a rated duty you think it would prevent that sort of thing? —Yes.

11442. Now with regard to parts of wagons—that is, bodies—carriages, carts, wagons, bodies, whether painted, unpainted, trimmed or untrimmed, £10. Are there many parts of vehicles imported in this manner?—Not a great deal, but we are taking this as a precautionary measure in the event of this specific duty being put on.

11443. In your opinion you think it is necessary to make provision for parts of wagons coming in, so as to protect your trade?—Yes. If we do not put that protection on there is the possibility that these goods will come in in sections and be assembled here.

11444. Coming to Clause 5, what is meant by under-carriages and undergear, wood and iron, painted and unpainted?—The under-carriage is the portion where the pole is attached, and the horses turn the carriage round on. The under-gear is the four-wheeler with the body resting on the four sets of springs, with the coupling up between the front and back axles.

11445. Could that part of the carriage be manufactured here?—Yes; we manufacture them ourselves.

11446. You think this duty is sufficient to protect that part of your trade?—Yes.

11447. What duty do you pay at present on these?—25 per cent.

11448. What would be the value of this part of the carriage?—They vary. You can buy the under-carriage from £4 10s. up to £8 10s. on the other side with about ten per cent. discount.

11449. Clause six: Bent timber, including shafts, rims, cart bows and spokes up to 2 in. That is what at present?—Three per cent. has been given to spokes below 2 in. and small naves, and the rest 25 per cent.

11450. Do you suggest the bent parts of the top of the wagon and the shafts should be reduced to 3 per cent.?—Yes.

11451. How will that affect the Knysna trade?—I have not seen any of that stuff in the market.

11452. Supposing we have the people from Knysna telling us they can produce these articles?—They cannot make a bent rim out of stinkwood, because the timber loses all its nature in the steaming.

11453. With regard to carriage lamps, we had a suggestion yesterday that the duty on these should be 25 per cent. Would you have any objection?—If they can make a good carriage lamp here I have no objection, but I have not seen one made, nor an attempt to make one.

11454. If the tin workers could produce these you would not press this point?—Certainly not, if they make the lamp. We should like to see the lamp first.

11455. Why have you discriminated between naves up to 9 in. in diameter and naves over 9 in.?—That is for the Knysna people. They have a yellowwood which is very good for making transport wagon wheels. That class of timber is not suitable for light naves, say 6 in. in diameter and so on, but we find that from 9 in. and above it is very suitable for the work it has to do.

11456. Can motor-car bodies be manufactured here?—Yes.

11457. What is the duty on them at present?—They come in at 25 per cent.

11458. Do the parts of the motor-car come out to be put together here?—The gear is brought out, the chassis and body and all complete to-day.

11459. Is this with the intention of constructing the bodies here?—Yes.

11460. And the machinery?—The chassises we have left out, because I do not think those and the machinery are made here.

11461. You refer to the railway rates. You complain that it costs £11 18s. to send a vehicle to Johannesburg whilst two may go almost at the same price. There is a desire to do away with the preferential railway rates. Will that affect your business? I do not see that this is a preferential railway rate at all, because the imported article pays the same price as we pay.

11462. You have no preference for the Colonial made article?—No.

11463. This is not a special rate?—No.

11464. The Railway give as a reason, I think, that they have to find a truck for one vehicle and they might just as well send three?—The unfortunate thing is that it puts a big price on a £60 vehicle when you pay another £11 18s. on it landed in Johannesburg.

11465. When you send one vehicle to Johannesburg is the truck loaded with anything else?—They retain the right to load it if they please.

11466. The railway makes use of the truck?—They retain the right, but we have often seen a truck go with only a vehicle in it.

11467. You suggest there should be an alteration, but I do not think we can do anything in that respect?—Would it not be possible for them to utilise that other part of the truck?

11468. Suppose they spoil the paint of the vehicles by doing so?—I suppose there would be a certain risk attached, and they would possibly say they would do it at our risk.

11469. If some alteration were made in that respect would you get more business?—Yes. We lose any amount of trade by people saying they would have a vehicle up, but railway rates are against them.

11470. *Mr. Pyott.*] You use a considerable amount of machinery in your business?—Yes.

11471. Would you have any objection to 25 per cent. on that machinery?—No.

11472. You say second-hand vehicles are sent into this market. I suppose you are aware there is a £10 duty on second-hand vehicles?—Yes.

11473. Are you in favour of an increase? We are quite willing to let them stop at what we have said—£15 and £25.

11474. You have a rated tax now on second-hand vehicles coming into the market?—Yes.

11475. You suggest a duty of £15. Is your point to get at the cheap American article coming into this market?—Yes.

11476. You are not afraid of the high-class article?—Not at all.

11477. You are not afraid of one costing £60 in England?—No.

11478. You can compete with that?—Yes.

11479. You would mean the small handcarts coming in for general purposes, would you?—No.

11480. You say carriage, cart and wagon bodies £10. Supposing I want to import a carriage costing £200 at the other side, and I pay £10 on importing the body this week, £4 on the wheels next week, and so on? You would have to mount that body up, and get a certain amount of framework made for it. I do not think there is any fear of anyone doing that; we are quite satisfied on that point.

11481. You want springs, axles, bolts, nuts and axle bushes on the free list. We have had the engineers this morning asking for 25 per cent. duty. If they are able to make machinery they can make these things. You would not object to giving them protection on these? We are asking for protection on an industry we have established for the last sixty years in this country. We have an article now we can show anybody, and we are asking for protection on it, and I do not think it is fair to ask for protection on the possibility of a thing being made here which has not been made here yet.

11482. The engineers say it is possible they make these things?—If they make the article we will be quite prepared to buy from them and to give them a protective tariff.

11483. *Mr. Tod.*] What is the cheapest two-wheeled vehicle made in the Colony?—About £13.

11484. And yet you ask for a duty which is £2 greater than the cost of that article. There is a small two-wheeled vehicle sold in this country at £71? Yes.

11485. What would be the price in America, where it comes from? £5.

11486. And you suggest a duty of £15 on that?—Yes.

11487. In other words, you want a protective duty of something like 300 per cent. We have had many demands for protection, but nothing on that scale. You say your business has been established for sixty years, and yet you want 300 per cent. protection? I daresay that factory makes 4,000 or 5,000 of these vehicles in a year.

11488. You must consider the purchaser. Possibly a small farmer can buy a £7 vehicle, but if you make it £22 he may not be able to afford it. Your argument is that if the man cannot pay £22 he must go without it till he can pay? None of those vehicles are sold at that price. The importers make a good profit.

11489. In Griqualand a small two-wheeled American vehicle is retailed at £7 10s.? That is what we call a trot and sulky.

11490. Are you really serious in putting £15 duty on a vehicle of that description?—I do not think there is any objection to it from our point of view. The duty was put up in Australia, and they were able to build their factories on it, and to-day they can compete against that same vehicle.

11491. Do you mean you can get a vehicle in Australia at £7? What is the duty in Australia on a two-wheeled vehicle?—*Mr. Malyon*: They had a 20 per cent. duty, and then the Customs found out that they were being defrauded by fraudulent invoices coming out, and then they put a specific duty of £10 on two-wheelers, and it was most successful. New South Wales kept at a duty of 10 per cent., and every carriage builder in New South Wales went to Victoria to look for work. I am speaking of eighteen years ago.

11492. It is considered that the present Dominion tariff is more highly protective than any they have ever had in Australia, and yet they only have only £6 on a two-wheeled vehicle. Do you really press that point?—I think it is only fair and reasonable.

Mr. Gray.] I would like to point out that I have a manufacturer's letter from Birmingham which will possibly explain the reason we ask for this £15 on a two-wheeler. In one case we have a hansom cab, with rubber tyres, £90, another at £25, and another at £95, and then a list of second-hand ones at £10, as good as new, ready for delivery.

11493. Under your proposed duty you can import a high-class dogcart, costing perhaps £120, and you will demand the same duty for these small vehicles as on that expensive dogcart. I think you will defeat your object in asking for that?—*Mr. Gray*: It is only the cheap rubbish we want to stop, because the man who buys it is not satisfied with it. It is nearly all made of cast-iron, and if any part breaks it cannot be replaced. You can get a good Colonial buggy, and the manufacturer will keep it in good order for twelve months free of charge, whereas with the American buggy the owner will spend perhaps £15 in the first year in keeping it in order, so that he will really pay more than for the Colonial.

11494. *Mr. Harlow.*] You say motor-car bodies £25. You do not mention the motor-cars themselves?—No. The object of that is to give us a chance of making the bodies here. The body can be made here but not the chassis.

11495. Would you be surprised to hear the chassis and engine has been made here?—I would be.

11496. I want to know why you distinguish between the motor-car body and the rest of it. Why should we not go in for making all that here? Do you not think it would have a tendency to cause that industry to be introduced here if that tariff were put on?—I am only here to ask for duties on things we know we can make.

11497. You would have no objection to a higher duty being put on?—No.

11498. It would not affect you at all?—No.

11499. Will you tell us how many men you have employed in your works?—*Mr. Gray*: I have fourteen to-day. *Mr. Malyon*: I have seventeen.

11500. Are these all thoroughly competent carriage-builders—white men?—*Mr. Gray*: Mixed.

11501. Have you any apprentices?—*Mr. Gray*: No. *Mr. Malyon*: I have two apprentices.

11502. Do you find any difficulty in getting them?—*Mr. Malyon*: No; we get too many of them.

11503. About what rate of wages do you pay the men?—12s. a day to one man and then the next gets 10s., and down to 4s. a day for the others.

11504. Did the present tariff do you any good at all?—I cannot tell you.

11505. It has been in existence about two years —*Mr. Gray*: All we have done during the last two years has been repair work. We have not had any demand for new vehicles.

11506. You have 25 per cent. now, and you do not think it has done you any good?—We have not had an opportunity to prove it, and cannot state. *Mr. Malyon*: I had 30 men two years ago, and now have 17.

11507. In these two-wheeled vehicles do you include the small hand-carts?—*Mr. Malyon*: No.

11508. Do you not think it is possible to make these naves under 9 in. here?—*Mr. Gray*: We could make them, but they will not stand in small sizes. If you make a small wheel with yellow wood nave and assegai spokes, and then get it in the tram line, you will have an accident. An assegai spoke under 2 in. is not safe.

11509. Is there any reason why you should not import the timber in the rough to make these things?—Not the least. There are only two machines for spoke-making in the country.

11510. Can you get other ones?—It would not pay me to pay £166 for a spoke-making machine, because one machine would make enough spokes for the whole of the Peninsula.

11511. Still, you ask for the high tariff on the carriages coming in. How do you justify that if you cannot make them yourself?—We do these at present, and the wages bill in Cape Colony at present is £302,000 per annum, whereas without this work it would be nothing.

11512. *Mr. Kayser.*] How long would you like this suggested tariff to last?—Seven to ten years.

11513. A minimum of seven years?—Yes.

11514. You think that would be enough?—Yes.

11515. Do you mind telling us what you mean by "adequate protection"? You say. "in addition to affording the industry an adequate protection"?—It would stop the dumping of oversea produce.

11516. You mean prohibition?—Yes.

Mr. Malyon.] In America they build 2,000 vehicles for the trade and sell 1,500, and have 500 left. They will not reduce the price to sell them in America, but they export them here at a low priec.

11517. Do you use any Colonial timber in your factory?—*Mr. Gray*: For heavy work—stinkwood, assegai, and iron wood.

11518. Can you tell us how much?—*Mr. Malyon*: A great deal depends on the quantity of heavy work we have.

11519. You use it only for heavy work wagons?—We use stinkwood in carts.

11520. Item 13: Items not elsewhere enumerated, *ad valorem* 3 per cent. What do you mean by that— everything else for making a cart not mentioned in this list?—Yes.

11521. All your hardware and everything to come in at 3 per cent.?—Yes.

11522. What effect would it have on the Customs returns? Do you mean they would get no revenue?—Being American, they would get 3 per cent. It will be the same as to-day.

11523. To-day you are paying 12 per cent. to 15 per cent. on your small ironmongery?—I am not.

11524. How do you suggest we should raise the wherewithal to run the country if the imports are prohibited?—The same way as the last two years.

11525. You want to prohibit the import of carts and carriages, which means, of course, that we will have no duty. How do you propose that the duty shall be raised?—*Mr. Gray*: The income tax would go towards it.

11526. You think it might be increased?—Yes.

11527. *Mr. Scott.*] You propose a rated duty on two-wheeled and four-wheeled vehicles. Come to the small handcarts which come into the country from America. Would you propose a rated duty on those?—*Mr. Malyon*: No; we have left those out. They stand at 25 per cent. now.

11528. You think that would cover them?—Yes. The best handcart is sold for £7.

11529. You could make these carts out of Colonial timber, and a better article?—You have to import your wheels, because they are very small and light.

11530. We saw very good carts in the East, and the wagon-maker told us that if he had protection as regards the cart he would give a much better article?—We would have no objection. We do not bother about that.

11531. On a two-wheeled hand-cart the duty would be £15?—*Mr. Gray*: We say "a two-wheeled, horse-drawn vehicle." *Mr. Malyon*: I think a duty of 30s. or £2 on hand-carts would be sufficient, because some of them are very cheap.

11532. Come to the wheelbarrows. A large number of these are imported "knocked down," for which we could use Colonial timber. Do you suggest any tariff for them?—*Mr. Gray*: They sell a Colonial made wheelbarrow now for 30s.

11533. You are satisfied with the 25 per cent.?—*Mr. Malyon*: As far as we are concerned, but other people may not be. *Mr. Gray*: America, the biggest carriage manufacturing centre in the world to-day, imposes a duty of 35 per cent. on all vehicles, largest proportion wood, and on vehicles largest proportion iron 45 per cent.

John King (representing King Brothers), *Carl Gustav Edward Stark, Thomas Gabriel Jacobus Verster* (representing Thom and Verster), *Adriaan Boll Bergmann* (representing J. F. Phillips and Co.), and *Augustin Joseph Roome* (representing Retief, De Ville and Co., Cart, Carriage and Wagon Builders), examined. The following statement was read out:—

NEW TARIFF PROPOSED WITH A VIEW TO PROTECTING THE COACH, CART AND WAGON TRADE.

On all four-wheeled horse-drawn vehicles, £20 duty on each.

On all two-wheeled horse-drawn vehicles a duty of £10 each.

On all two-wheeled carriage and cart bodies, painted, unpainted, trimmed, untrimmed, a duty of £5 each.

On all wood wheels imported without bodies, mounted or unmounted, painted or unpainted, a duty of £5 per pair.

On all four-wheeled carriage, cart and wagon bodies, painted, unpainted, trimmed or untrimmed, a duty of £10 each.

Springs, Axles, Bolts, Bushes and other Iron work necessary for the manufacture of carts and carriages, duty as before, 3 % *ad valorem* subject to rebate.

Carriage Cart and Van Lamps, 3 %.

All cloth, trimmings, fancy leathers, and such upholstery and trimmings that cannot be manufactured in the Country, 3 % subject to rebate.

Motor Car bodies, £25 each, but 25 % on Car bodies which cost more than £75.

To protect Colonial Industry prepared to pay 25 % duty on all imported Spokes, and 12½ % duty on all bent timber, such as Shafts, Rims and naves.

Cart Bows, the latter tax being more to help revenue.

Rubber Tyres as before.

All rough timber for cart and carriage work, likewise planed lumber, 3 %.

It is proposed that the duty shall not be reduced during a period of seven years.

11534. *Mr. Kayser.*] Mr. King, do you agree with the duties suggested in the statement which has been read out?—*Mr. King*: I do not. I regret to say I was not aware these other gentlemen were coming to-day with the same object, or we probably could have met. I have an independent statement. More or less we agree, but I cannot accept the whole of it. Mr. King handed in the following statement:—

In tendering my evidence I do so for reasons that up to the present I do not think the reports as published, regarding the effects which present evidence before you may have on your minds to assist you in your recommendations regarding the proposed new Customs Tariff, are as far as I have considered them pointed to the main and root considerations which should be clearly and definitely placed before you in assisting you in your deliberations.

I would therefore classify the various items with which I intend dealing, and on which I intend to offer my humble opinion, and before doing so I may say I have had over 20 years experience practically and otherwise on the subject matter of which I am dealing and consider myself competent to offer you my suggestions.

1st.—MATERIAL.

(a) *Timber.*—In dealing with manufactures the first question that should be considered is material to manufacture from and from where it can be procured. If material is procurable in the Colony of a quality suitable for manufacture of goods required in the Colony it stands to reason that to protect the industry dependent on that class of goods such protection will be justifiable. Beyond that where material is not procurable a tariff should be so arranged as to allow such material to be imported at a low rate.

Now in connection with the Carriage and Wagon building industries it is necessary to carefully analyse what material is, and what is not, procurable in the Colony.

We have as fine a class of wood procurable in this Colony as any that could be imported with the exception of one or two lines, and I am prepared to say that these woods being natives of the soil cannot, under any circumstances, be beaten by any imported timber and, at the same time, they are procurable at a price which can be looked upon at present to show a favourable comparison to imported woods. There are a few, and very few, woods essential for special work which it is necessary to import but these woods could very well come under a high tariff in order to encourage the owners of forests to supply something similar and suitable.

I have observed there is a great tendency by workmen to prefer imported woods for the reason that, in many cases, they are softer and easier to work, but now that there are so many works fitted up with machinery of a nature to deal with any class of hard timber the severe and hard labour in dealing with our Colonial timber is reduced to a minimum, and the workman is in a better position to exercise skill where, previously to the introduction, of substantial machinery, he had to add to skill a considerable amount of hard labour.

The centres of Carriage and Wagon building are such places as the Paarl, Durbanville, Kingwilliamstown, Grahamstown and Queenstown, and on which industry a very large number of people exist and where a large number of people are employed.

The class of vehicle required in South Africa is a pattern essentially of South African design and one which, in cases where durability and stability is required, is always preferable to any imported article for reasons that it is an article which has been carefully improved upon to meet the requirements of the country and is built on lines vastly different from any imported vehicle. For this reason and for the reasons already stated there is no necessity for importing timber required for its construction.

My remarks on Timber should be considered as apart from timber required for building construction.

(b) *Iron, Steel, Coal, etc.*—There is no doubt considerable difficulty in fixing a tariff on this class of material required for manufacturing purposes. I would like to point out that as these articles are not procurable in the Colony, and until such time as they are procurable for the manufacture of vehicles a tariff should be so arranged as to reduce the cost on the raw material to a minimum, and by doing so we will secure a greater field for labour.

(c) *Trimming, Upholstering Material, and Paints.*—All these articles are essentially necessary in the construction and completion of vehicles, and are not procurable in the Colony, and should therefore come on a low tariff.

There are various other items under material which I could deal with, but speaking broadly I think I have touched on the main articles which would affect the tariff.

2nd.—LABOUR.

This is a matter which seriously concerns the Carriage and Wagon industry, as well as the prospects of the rising generation at present living and existing, and whose future to a great extent depends upon mechanical employment. Very little attention has been devoted by any of our legislators towards this matter, especially as it is one on which a large population depends. The skill of the mechanic in South Africa is as great and as essential as the education of a bookkeeper or a clerk, and in order to compete with the productions of other countries, inducements should be offered, and precautions taken, to see that every apprentice entering any works should have proper facilities of learning his trade, and should have diplomas certifying as to his ability. Whilst there is no reason to complain at present of the competency of the South African artisan as a carriage and wagon builder, it will be of great benefit to him if greater precautions were taken to compel the apprentice to serve under restricted articles which will serve him also, after completing his apprenticeship, to obtain employment.

3rd.—COMPETITION FROM FOREIGN COUNTRIES.

If we have the facilities as already mentioned, there is no reason whatever to fear any competition from foreign countries in the manufacture of the colonial class of vehicle, but I think it necessary, in order to protect the trade from the competition, which it is at present facing in the American light goods, that a heavy duty should be placed on them. The American vehicle is one built for a low price and where there is very little weight of material and, hence, it is possible to land this here at a low rate. This article being cheap, is purchased by people who would otherwise purchase the Colonial made article.

American factories, which are run on a very large scale with great facilities and in close connection with timber forests, run their goods on what is called "templates," that is an order is put in the works for a few hundred vehicles of a similar pattern, and these are distributed all over the world and are manufactured at a cheap rate. In my opinion, what is landed in the Colony is a surplus of over-production and, therefore, as it is sold cheap is injuring manufacturers here. There is no necessity whatever for importing these, as with sufficient protection they can be produced and sold here at prices which would allow a fair margin of profit to the manufacturer and, at the same time, bring the price of the vehicle within a reasonable rate to the purchaser, and substituting a superior article.

A considerable amount of goods in a manufactured state required and used in Carriage and Wagon building is at present sold by timber merchants and ironmongers, and these are, with few exceptions, imported, such as, shafts, spokes, naves and felloes, and many other manufactured parts not used in Carriage and Wagon building, such as pick, axe and hammer shafts. In my opinion a tariff should be arranged so that the Colonial workman requiring any manufactured articles should be able to procure these manufactured of Colonial Wood, and a heavy duty put on imported articles of a similar manufacture. I know this view is not held by a great many Carriage and Wagon builders whom I class as running a bastard industry, that is, they purchase imported manufactured goods and only spend a small sum in labour in the construction of vehicles. This is undoubtedly unsatisfactory and is detrimental to builders who encourage the employment of workmen and the use of South African timber.

11535. What is your opinion regarding the duty on ready-made vehicles? The suggestions are: Four-wheeled vehicles—drawn by horses this is—£20; two-wheeled vehicles drawn by horses, £10?- I prefer a duty of 25 per cent.

11536. On only horse-drawn vehicles or all vehicles?—On all vehicles.

11537. This suggestion is for horse-drawn vehicles only. You prefer a duty of 25 per cent. on all vehicles?—Yes.

11538. Which means the present duty stands. To-day it is: Carriages, carts and finished parts thereof not elsewhere enumerated, 25 per cent., and on second-hand carriages £10 with an additional 15 per cent. *ad valorem*, but in no case shall the duty be less than 25 per cent., and against that a number of articles come in at 3 per cent.? In another part of my letter I deal entirely with American goods.

11539. What is your suggestion on those vehicles? Is it 25 per cent.?- I follow these gentlemen when they come to American light class goods. I agree with them there.

11540. You mean 25 per cent. on all vehicles other than American light class vehicles?—Yes.

11541. What do you want for the American light class vehicles?— It is a surplus over-production of other countries, and is really a drug in this market. In my opinion it prevents people from purchasing really substantial Colonial made vehicles.

11542. What do you suggest on that? I agree with the suggestion made by these gentlemen—per wheel.

11543. Do you want £10 duty on two-wheeled vehicles?—Yes, I do.

11544. Then your suggestion is: 25 per cent. duty on all vehicles other than the cheap American vehicles, which would be £10 for two-wheeled vehicles and £20 for four-wheeled vehicles?—Yes.

11545. The next suggestion by the gentlemen sitting with you is: Bodies for two-wheeled vehicles, trimmed or untrimmed, £5, and for four-wheeled vehicles, £10. Do you agree with that? That is just for the bodies imported separately? No. I think it would stand a great reduction, especially the untrimmed.

11546. Give us your suggestion?--I am giving evidence at a considerable disadvantage.

11547. I am giving you clearly what they want. They do not make any difference between trimmed and untrimmed, and on a body for a two-wheeled vehicle they want £5, with £10 for a four-wheeled?—That would stand a reduction of 10 per cent. less than they make it.

11548. You are not prepared to name a percentage, the same as you recommended 25 per cent.?—I would say 30 per cent., but it would conflict with the wheel duty.

11549. You suggest 30 per cent. *ad valorem* on bodies trimmed or untrimmed? —Yes, on bodies only.

11550. To make it quite clear, do you want to legislate specially against the American vehicles again, or would you leave it in this case? You said you wanted a rated duty on the cheap American vehicle?—Yes.

11551. The cheap American body you do not mean, because it has to be made up here?—Yes.

11552. The next suggestion is: Wood wheels £5 per pair?- Manufactured wheels? I would also put the same percentage as cart bodies.

11553. Springs, axles and other articles to be left as at present, which is 3 per cent. or free as the case may be?—Yes.

11554. Carriage, van and cart lamps, which pay 12 per cent. and 15 per cent., according to the country of export, they suggest should be 3 per cent. and free. They want them in the same position as springs, axles, etc.?—I say you want revenue, and it should stand as it is.

11555. You do not approve of any change in that?—No.

11556. Cloth trimmings, fancy leathers 3 per cent. Most of the trimmings, I may point out, stand at 3 per cent., but they say cloth trimmings included?—Under this particular class of trimmings is it specially enumerated "carriage trimmings and leather"?

11557. Yes; "leather: patent, enamelled, roan and Morocco, and pig skin in the piece, and valve hide"?—Under that I cannot see they class split hides.

11558. American hides are called split hides. The hides you use for trimming carts now come in at 3 per cent., but these gentlemen suggest in addition to that cloth trimmings should come in?—I agree with that.

11559. The next suggestion is: motor-car bodies £25 each?—Yes, and allowing chassises to come in at a lower rate. I do not know what duty is on them at present.

11560. The duty on motor-cars to-day is 15 per cent., including everything?—That should be reduced to about 5 per cent. *ad valorem*.

11561. You agree that motor-car bodies should be £25 each, but the undercarriage should be £5?—All the mechanical parts below that for motor-car manufacture should be 5 per cent.

11562. The next suggestion is 25 per cent. duty on all imported spokes, etc.?—Yes, I agree with that.

11563. Twelve per cent. duty on rims, bows, etc.?—Yes.

Mr. Roome.] We would like hubs included in the 12 per cent.

11564. *Mr. Kayser.*] Do you agree with that?—*Mr. King*: Yes.

11565. *Mr. Kayser.*] The duty on those to-day is 3 per cent.

Mr. Roome.] To meet the revenue we do not mind 12½ per cent.

Mr. King.] I am in favour of that.

11566. *Mr. Kayser.*] Rough timber for carts and wagons, including plain lumber they suggest should be 3 per cent.?—*Mr. King*: You must separate. Under rough timber I should say include hickory, oak, other Australian hard oaks, and imported hard timbers, and such timbers as are necessary for the manufacture of Colonial vehicles which are obtainable at Knysna. For those I suggest 15 per cent.

11567. Fifteen per cent. on hard timber?—Yes.

11568. And planed timber?—Not much is used in the manufacture of vehicles, and I would leave that to the builders. I would like specially to mention panels, such as mahogany, cedar and other woods that are not procurable in the Colony. They should be allowed in at 3 per cent. *ad valorem*, as they are. I am speaking of the wood in the rough, in heavy logs—not in the panelling.

11569. Planed wood you want them to charge a duty on?—The planed should come under the other manufactured woods at 15 per cent.

11570. Are you satisfied with that?—Yes.

11571. I understand you say you want the minimum charge on American light vehicles of £10 on two-wheeled vehicles?—That is so.

11572. What do you sell a two-wheeled buggy at in this country?—From £17 10s. upwards.

11573. And you seriously suggest a duty equal to 50 per cent. of the value of the buggy?—It does not follow the vehicle would go up 50 per cent.; we would be able to produce an article for about £20 and keep this out of the market.

11574. You really want a protection of £10 on an article which you are selling at £20?—We are not asking so much for protection to take advantage of it as a prohibitive protection to stop it from coming in?—You want absolutely to prohibit the importation of American vehicles into this country?—Its prohibitive effect would be reduced according to the value of the vehicle.

11575. Can you tell us at what price these light vehicles are being sold in this country?—We are talking of two-wheeled vehicles drawn by horses?—£10.

11576. This article is being sold at £10, and you suggest a duty of £10 to prohibit it altogether?—Yes.

11577. What effect will that have on the poorer farmer?—The farmers would not use many of these vehicles; that is my experience.

11578. You are speaking of experience of what part of the country?—Villages and towns in the whole of South Africa—with the exception of Portuguese Territory.

11579. Your experience of the whole of South Africa, exclusive of Portuguese Territory, is that the farmers do not use these vehicles?—A percentage do, but not the majority, according to my experience. I am talking of the £10 two-wheeler.

11580. Will you tell us what the average price of a four-wheeled spider is in this country?—Between £30 and £40.

11581. What do you make them for?—We do not make that class of four-wheeler. It does not pay to make them. As I said in my statement we make a different class of article altogether—a superior article.

11582. What do you charge for the four-wheeler you make?—It will average from £45 to £100.

11583. Are springs and axles manufactured in this country?—To special order they are, but very few. They cannot be manufactured profitably.

11584. We have had witnesses coming before us asking us to put a duty on axles particularly?—I ask you not to do so, because it will interfere vastly with the whole of the trade of South Africa and will only be building a wall round a very small man's establishment. In my opinion they cannot be made. They can be made if you put about 300 per cent. duty on the imported stuff. We should have to shut down all our places.

11585. Do you press for carriage, cart and van lamps being reduced from 15 per cent. to 3 per cent.? *Mr Roome*: We wish to get them in as low as possible.

11586. With regard to cloth trimmings, will you tell us how you expect the Customs to discriminate between cloth trimmings required for carts and required in the ordinary course of business?—*Mr. King*: They will have to depend a great deal on the truthfulness of people making declarations.

11587. Do you think that is a wise method of managing the fiscal operations of the country? It will only come on the same line with agricultural machinery. If an engine is imported for agricultural purposes, you make a declaration, and it comes in free, but if imported for other purposes you have to pay a duty.

11588. You are wrong there: it comes at the same duty?—I am at a disadvantage in not having the Customs Tariff with me. Since when has it been free?

11589. Since the last tariff. Machinery for industrial purposes comes in free as a matter of fact. The point is you consider the Customs should accept the declaration of the importer?—Yes.

11590. It does not mean the declaration of the cart builder. The importer imports these cloth trimmings. You consider the Government should put a duty of 3 per cent. on them and accept the man's word that he is going to sell these cloth trimmings to a cart builder?—There is a difficulty, but for those importing and making a declaration it should be duty free.

11591. You think a cart builder should get it on his declaration?—Certainly. There is a difficulty about it.

11592. With regard to fancy leathers, we have had it in evidence in Cape Town that these can be made here. I am especially referring to the leather for cart trimming?—They have never been offered for use to my knowledge yet—split hides.

11593. Yes, hides for making cushions of carts. How would a duty on that affect your industry?—I am asking that there should not be a duty.

11594. I am telling you that tanners have asked us to put a duty on these articles?—*Mr. Roome*: Up to date they have not offered any for sale. If they had had them they would have offered them.

Mr. Bergmann: Not the split hides.

11595. You consider it would be wrong to place a duty on those goods?—*Mr. King*: Until the manufacturers can supply us with the article; that is especially the split hides.

11596. At present they cannot?—No.

Mr. Roome.] The goat skins they are turning out have proved a failure.

11597. With regard to the motor-cars, do you think, granted your suggestion of 5 per cent. duty on the under-carriage were carried out, the £25 on motor-car bodies would give you the business?—*Mr. King*: I think so. The thing has to be tried. Three years ago I went Home and saw an exhibition of motor-cars from all over the world. It would be profitable for a good many people to import the chassises and get the bodies built here.

11598. Your suggestion of £25 each means practically a lower duty than exists to-day. You think it will bring you the business?—It will.

11599. You are certain of it?—Yes.

11600. With regard to imported spokes, the duty is 3 per cent. on spokes less than 2¼ in. You want 25 per cent. Is that because you can use Colonial made spokes?—Yes, it is.

11601. If we have had it in evidence from other cart builders that they cannot use Colonial spokes of that lightness, they are wrong? Yes. Our wood is of a nature specially good for the lighter spokes.

11602. Where do you get it from?—From Knysna.

11603. Can other ports equi-distant from Knysna get it from there—Port Elizabeth and East London?—Yes.

11604. Your contention is that assegai spokes from Knysna are equal to the imported spokes?—They are superior.

11605. How does the price of the assegai spoke compare with the imported spoke?—It is favourable. I cannot say there is any difference.

11606. Then why do you want a protective duty?—Just to prohibit them from coming in.

11607. You want to prohibit even the spokes? Yes. I want to protect the timber people.

11608. Why do you not want to protect in the same way shafts, hubs, rims, bows, etc.?- The wood for manufacturing hubs here is unsuitable. The Knysna people do not grow a suitable wood for it.

11609. Yellow-wood is unsuitable?--Yes.

11610. What wood must you have? English and American elm.

11611. Are not rims made at Knysna?- I do not think they are satisfactory. I do not think we have wood fit for steaming in Knysna at present.

11612. But it is quite good for spokes?- Yes.

11613. Must you have rims to manufacture your carts and buggies? Not necessarily.

11614. Would it not be advisable to include rims in the 25 per cent., to bring in revenue, and force you to use Colonial wood for felloes?- Yes.

11615. Can the bows be made from stinkwood? Yes; I am doing that.

11616. Would you be satisfied with the higher duty if these are prohibited from being imported? -Yes.

Mr. Roome.] We use mostly imported American bows, but as it is not an expensive article we do not mind paying the extra duty.

11617. You suggest on rough timber, hickory, oak, etc., 15 per cent.? *Mr. King*: Yes.

11618. It is 3 per cent. You want it at 15 per cent.? If it is free now it should come in at 15 per cent.

11619. Will you tell us why? For the simple reason that we have sufficient timber here to manufacture from.

11620. What timber are you going to use? Knysna wood.

11621. Stinkwood? We have various woods.

11622. What other woods can you use for cart bodies in Knysna except stinkwood? We have other kinds of woods.

11623. You think we could have 15 per cent. on wood for cart building? *Mr. Roome*: We want 3 per cent. Stinkwood is getting very scarce, and is nearly unobtainable, and we have to use hickory to take its place, so we would like it left at 3 per cent.

11624. Do you use much Australian wood? No.

Mr. Verster.] They have Australian bluegum.

11625. Would you like to have that 3 per cent.? *Mr. Verster*: Yes.

11626. You have not sufficient hard wood grown in South Africa for the purpose? No.

Mr. King.] I would like to explain that the American hickory is not used extensively for body making. It suits more the beam of a buck wagon, and we have any amount of wood in Knysna for buck wagons.

11627. *Dr. Viljoen.*] We have evidence before us that the Colonial wood is not suitable for cart building for felloes and spokes. Is that information correct? - *Mr. King*: It is quite wrong.

Mr. Bergmann.] It is as good, if not superior.

11628. I am alluding to light spokes? *Mr. Roome*: For carts or wagons the Colonial spokes cannot be beaten even if you take a light vehicle.

11629. They admit that for the heavier wagons and things like that the Colonial wood is all right, but the contention is that for light carts the Colonial spoke is no good? *Mr. Verster*: I differ. *Mr. Bergmann*: That is wrong.

11630. *Mr. Tod.*] Is the Colonial hub all right? *Mr. Roome*: Yellow-wood. For instance for wagons there is nothing to beat the yellow-wood nave.

11631. But for a light buggy? The American hickory is better.

11632. One coach-builder told us it was quite unsafe to use the Colonial hub on a very light wheel? *Mr. Bergmann*: I would not recommend it for a very light wheel yellow-wood.

Mr. Roome.] You can find another wood for it.

11633. *Mr. Tod.*] With regard to the minimum duty on vehicles, I have in my mind a two-wheeled light American vehicle, which I know is being retailed at £7 10s. in East Griqualand, which is 100 miles or more from the nearest railway station, and in a part where the roads are very bad. Two classes of people buy those vehicles the one who really cannot afford a more expensive vehicle, and the other the man who is well enough off but who cannot get any Colonial vehicle sufficiently light for these roads with only one horse. Such a vehicle as I describe must cost not more than £5 in America. Do you propose to put a duty of 200 per cent. on that vehicle? If you get your wish carried you practically say to the poor man: "If you cannot raise more money you must go without a vehicle until such a time as you can." Then you are saying to the well-enough-off man: "You must pay for a more expensive vehicle. We are not going to allow you to drive one horse in your country; you must drive two"—because, as I say, there is no vehicle of sufficient lightness for one horse for the bad roads?—*Mr. King*: Your illustration seems inconsistent, because where the poor man requires the article he must have a decent road for one horse. Where the roads are so rugged and you require a substantial article, is it possible to do it with a light vehicle and one horse? I have had considerable experience of South Africa with vehicles, and I have never yet met the poor man who requires that vehicle, nor the man who has the means and could not go over the ground with a heavier vehicle.

11634. He could with a heavier vehicle, but with more horses?—Then the road must be fairly good to use a light vehicle with one horse.

11635. I am giving you an exact description of the existing state of affairs up there?—*Mr. Verster*: In Griqualand East I do not think it would be possible to drive with only one horse.

11636. You can do it only with this one vehicle. At any rate, you say we must have more cheap vehicles in South Africa?—*Mr. King*: That is it.

Mr. Roome.] My opinion is that the vehicles they buy here will last three times longer than the cheap stuff they import, so it is better for the poor man to buy a good thing at a higher price than an inferior article.

Mr. Verster.] I think we should get a better price than for the imported, because the men buying imported vehicles have to pay cash, and we have to give them a year or eighteen months or even longer. They will not come to us with the ready cash nowadays.

11637. Are you affected by the preferential railway rate? You know you get an advantage on your Colonial manufactures as against the imported, and you know there is considerable agitation to do away with that. Are you in favour of its retention or abolition?—*Mr. Roome*: I think imported vehicles have a preference. They come out packed in cases and go up by weight, and we have to pay by the truck. If you put one or three carts on a truck you have to pay the same.

11638. You do not reckon you get any advantage?—No. If we have to pack a cart to send it by wagon it will cost about £5 to pack it properly.

11639. The only other question is the duration of the tariff. What is your opinion: do you want it for a long period?—For seven years.

Mr. Verster.] At least for seven years.

11640. You do not think five years would do?—*Mr. King*: I would be satisfied with five years.

11641. Generally speaking, has your industry benefited much by the last Customs tariff?—*Mr. Roome*: Not much.

11642. We have got to a depressed time. Have you not found orders coming through channels you were not previously getting them from?—Things get worse daily instead of better.

11643. Do you think the imported article is still knocking the Colonial article out to any extent, or is the Colonial gaining on the imported?—No, it is not, because the imported is sold so cheaply and everybody studies the price now and not the article.

11644. You do not think the 25 per cent. gave you any improvement in your business?—Why we rather wish to have a rated tariff is this: a vehicle is perhaps invoiced at £20 and the invoice may only be sent out at £10 as the cost price.

11645. That is fraud?—*Mr. Bergmann*: We contend it is open to abuse.

11646. Do I understand this £10 on two-wheeled vehicles and £20 on four-wheeled vehicles to be the minimum or the fixed rate?—As soon as it exceeds £80 charge 25 per cent., otherwise the Government will lose by it. That is the mistake another witness made in regard to the motor-car bodies. We want at least £25 on a motor-car body.

11647. These are minimum duties you suggest?—Yes.

11648. When the value of a vehicle would mean that the percentage duty would come higher than the rated tariff, the percentage duty would be charged?—Yes.

11649. *Mr. Scott.*] The present duty on motor-cars is 15 per cent.?—*Mr. King*: Yes. I want £25 on the body.

11650. And on the machinery portion?—I think I said 5 per cent.

11651. How would the Customs discriminate in that respect? Would they put £25 on the body and charge 5 per cent. for the other portion of the vehicle?—That would be rather difficult.

11652. Would you be in favour of allowing the duty to remain at 15 per cent. for the other portion of the vehicle besides the body?—*Mr. Verster*: We would like £25 on the body, and not the percentage.

Mr. Roome.] We want £25 on the body to be the minimum, but as soon as the body costs more than £100 charge the 25 per cent.

Mr. King.] I agree with that.

11653. *Mr. Scott.*] Have you made any suggestion in regard to handcarts and wheelbarrows?—*Mr. King*: No.

11654. What is your idea about this?—*Mr. Roome*: It does not affect us.

11655. Leave the duty as it is?—*Mr. Stark*: Yes.

11656. Do you press the question of leather?—Leather we must get in free, because it has not been supplied up to now.

11657. It is not a heavy item on your cart?—Yes. We use a lot of split hides. Why we would like to have protection is because of the number of men we can employ. If we can get work enough my firm can turn out from 1,200 to 1,500 vehicles, because during the German war we turned out 30 transport wagons per week. As things are now, instead of engaging two or three hundred men we have to do with 100 or 120.

11658. *Dr. Viljoen.*] Do you know the value of vehicles imported from the United States of America last year?—No.

11659. If I tell you £27,085, if that money was kept here in trade would you be able to give employment to all the people at present out of employment?—If no vehicles were imported we could supply enough work to these wagon makers.

11660. *Mr. Harlow.*] Will you tell us why you wish springs and the ironwork to come in free?—Because they cannot be manufactured here.

11661. Have not the engineers a perfect right to protection as well as the wagon maker?—They have failed to turn them out here.

11662. Have you ever applied for them to be supplied?—If we have to get an axle or anything made locally they charge such an enormous price that you cannot buy it.

11663. Have you ever applied for them to be made here; have you asked any of the local manufacturers?—A couple of months ago I wrote a certain ironmonger and asked if I could get a few special axles made here, and then he wrote back that it would cost so much there would be no chance, and we were compelled to wait whilst we imported them.

11664. You have never applied yourself to the manufacturer here?—No, because if he was a manufacturer who could supply he would have approached us.

11665. But he gets no encouragement for manufacturing at all. Do you know the amount of money laid out in plant for manufacturing machinery in this country?—No.

11666. Would you be surprised to hear it is over a million pounds? Have they not a right to a little protection for that?—*Mr. King*: I have applied, and have had a considerable number made here, simply to complete orders such as appear in the catalogue I produce. What I imported cost 200 per cent. less without the burrs and caps and linch pins.

11667. Do you know when a manufacturer of machinery gets an order here he gets it on condition that it shall be cheaper than the imported?—If we have a chance we shall do it. You will only build up their manufacture by hedging them round with protection. We are established, and want to be protected from going bankrupt.

11668. If you want 100 axles or 1,000 axles you send Home for them?—You can get supplied here by the merchants.

11669. They are imported goods?—Yes.

11670. If you gave that order to the local manufacturer he could compete with the oversea manufacturer, instead of only making one?—He never could compete.

Mr. Bergmann.] On the other hand, is it a fair question? If I am prepared to manufacture certain articles, surely I should bring it to the notice of the public that I am prepared to tender for a certain thing or making cart axles and springs. If we knew there was such a place we would approach him if he could do it at a reasonable price. They have never approached us to my knowledge as long as I have been in the trade.

Mathias Theodore Thesen (of Thesen and Co., Shipowners and Timber Merchants), examined, handed in the following statement:—

We are of the opinion that articles that can be produced or manufactured in South Africa should receive a substantial protection, and that goods manufactured purely from South African timber should enjoy a preference over articles manufactured from the imported raw material.

The present tariff No. 90 reads:—"Hubs, rims, spokes, felloes, etc., except for wagons and carts commonly used for the conveyance of goods," pay only 3 per cent., but when for "wagons and carts used for the conveyance of goods" 15 per cent. is payable. We contend that the whole clause as it stands is an anomaly, and that if a distinction is to be made the reading should be reversed. We do not see why certain spokes, hubs and wagon parts, cut or fashioned, or partly finished, all of which can be manufactured in the Colony of South African timber, should receive less protection than doors, windows, joinery or manufactured timber, or even planed pine boards. We contend on the other hand that such articles should receive special protection, the whole product being grown and manufactured in South Africa. Moreover, as the clause now stands, the well-to-do person who can afford to have a landau or carriage built gets his material in at 3 per cent., whereas the transport rider or cartage contractor who has got to make his living by the business pays 15 per cent. for his material. Spokes and handles can be manufactured in the Colony (especially at Knysna) from timber equal to the highest grades of the imported goods, and it is the light spokes and handles that require protecting as these are manufactured in America from waste or small timber, and are turned out in large quantities.

Colonial Yellow Wood is manufactured into Flooring and Ceiling and other articles, but owing to the low prices at which the imported article is sold, the demand is limited. Consequently this timber is cut into Sleepers realising ½ per cube to the Woodcutter, for which purpose the timber is much too valuable, which is borne out by the Report for 1906 of the Conservator of Forests, Midland Conservancy, an extract of which is attached hereto. There has been a considerable increase in the output of Sleepers in 1907 as compared with 1906, while the legitimate wagon trade has fallen off.

We are therefore of the opinion that all articles manufactured, shaped, fashioned or partly finished of Colonial Timber should have a protection of not less than 25 per cent., and that the Duty on rough timber be proportionately increased over the present rates. We feel sure that with protection the demand will be greater and the output increased, which will not only lessen the cost of manufacture but give employment to a large number of people who are now working only half time or even less, at the same time alleviating the distress amongst the poor whites, which is such a serious problem in the Knysna District. It would also encourage private individuals to proceed with tree planting, which is at the present time neglected except by the Government, some of whose plantations are already proving remunerative, as for instance, Worcester, Tokai, Uitvlugt and Kluitjes Kraal.

Extract from the Report of 1906 of the Conservator of Forests, Midland Conservancy:

On the 30th June last, I am glad to report, the Sleeper bonus was discontinued, after some £1,212 had been paid out as bonus for the nine months ending then.

The grant of this bonus was unfortunate in almost every sense, and it is safe to say that, save perhaps two or three local firms, and of course the local shipping contractors, very few are a penny the better for the grant, and the wood cutter very much worse off.

The Sleeper Commission, referred to in my last year's Report, which was appointed by the Government to enquire into the whole question, has undoubtedly made its report, but this unfortunately I have not seen. I am, however, more fully persuaded, if this be possible, that the sleeper industry is not in the interests of the country generally, or of this district in particular, as it is not in those of the present or future generations. It may mean the circulation of a certain amount of cash at present, but this is very likely to be paid for very heavily in the future. Possibly this cost, in the general depression of trade, must be faced until times improve, but the introduction and maintenance of the trade has undoubtedly to be much regretted, and I can but trust that it may cease before practically the whole of our first-class soft wood timber is converted into really second rate railway sleepers on conditions which benefit none.

Witness also handed in the following memorandum from the Forest and Mill Owners and Timber Dealers, Knysna :—

At Meeting of Manufacturers, Forest and Mill Owners and Colonial Timber Dealers, Knysna, very strong feeling in favour of protection, following resolutions were passed: That all finished or rough timber used in manufacture of vehicles, and handles of all descriptions be subject to duty of at least 25 per cent. That an extra 10 per cent. be put on finished vehicles and parts. That a duty of 20 per cent. be put on all planed boards including flooring, ceiling and mouldings.

Thirteen mills, 380 men employed, £28,000 wages paid annually, besides 1,800 wood-cutters employed.

11671. *The Chairman.*] Do you wish to make any statement in addition to this?—No.

11672. *Mr. Scott.*] You make reference to No. 90 in the tariff. You say, "this should just be reversed"?—Yes.

11673. That it conveys a wrong impression?—It is so.

11674. It is an anomaly in the tariff; it should be the other way about?—Yes.

11675. Hubs, rims, spokes, felloes, etc., for wagons and carts should bear what?—25 per cent.

11676. With regard to hubs, can you get the small hub from the Knysna?—You can.

11677. For the light vehicles? Some of the cart builders tell us you cannot get the small hubs?—That is one of the few things we cannot turn out here?—when it comes to about 6 in. or 7 in. thick for light vehicles.

11678. You do not include the small hub?—We would not mind excluding the hub. I would not press the hub question. It is a matter of opinion. There are certain wagon builders who insist on having yellow-wood and will not have the American at any price, and others are the reverse.

11679. They say yellow-wood is not suitable for a small cart?—I do not think it is; it is not tough enough.

11680. Have you suitable timber for spokes?—Yes.

11681. There would be no hardship if there were 25 per cent. on those?—None whatever.

11682. Have you suitable timber for pick and shovel handles?—Yes.

11683. In abundance?—Yes.

11684. What kind of timber do you suggest?—Stinkwood, assegai, and kerswood.

11685. Stinkwood would not be suitable for a handle?—It is tough and long in the grain.

11686. It would not be equal to hickory, would it?—I think it would be.

11687. You also said assegai wood?—Yes.

11688. Is there an abundance of assegai wood for this purpose?—Not an abundance but, being a small thing, quite enough for the purpose.

11689. Does your firm make handles?—Yes.

11690. Hammer handles?—Not to any great extent.

11691. What is your suggestion with regard to the duties on hammer handles?—Twenty-three per cent.

11692. Would you be able to manufacture all the handles at the Knysna?—Yes.

11693. With regard to yellow-wood for flooring, you suggest 25 per cent.?—That is on a telegram from Knysna which appears in the statement. Our own people do not wish to press that point.

11694. What do you suggest?—If we do not get a big protection I do not think it is much use. Some protection would be of assistance for the interior trade, like Oudtshoorn and Uniondale.

11695. Would 15 per cent. enable you to take that trade from the Knysna?—It will assist us in some parts like Oudtshoorn eventually.

11696. If you suggest 25 per cent. on flooring it would be an increase on building material?—It would, and personally I think it is too much; and our own people at Knysna do not wish to press the point.

11697. Is the yellow-wood a suitable timber for making flooring?—Yes.

11698. What is it largely being used for at present?—Practically for sleepers.

11699. So you consider it is a more useful timber for house-building than sleepers?—I think it is a shame all this stuff is going into sleepers at the present day. The man supplying the sleeper when he has sold his timber is worse off than when he started.

11700. What do they get?—It works out at 1s. 2d. a cube.

11701. And the yellow-wood in planks?—You can get it in Cape Town at 2s. 6d. to 3s. wholesale.

11702. If you supply sleepers at 1s. 3d. a cube, how is it it more than doubles itself by the time it gets to Cape Town?—We would not sell yellow-wood as sleepers; we could not do it. The sleeper business is done by the poor whites or the wood-cutters.

11703. If you get a 15 per cent. duty on flooring will this enable you to employ a larger number of those poor whites?—I do not say a larger number, but the poor whites would be able to get a better price.

11704. What do these men do? Do they fell the timber in the forest?—Yes.

11705. And square it up?—They slip and square it and then ride it out by ox-wagon.

11706. What do they get for that?—They have to pay the Government licence of 3d. a cube. The slipping of the timber to bring it out of the forest cost 3d.

11707. That is 6d.?—Yes, and it costs 5d. for transport, and they get 3d. for squaring and all their work.

11708. That is 1s. 2d.?—Yes.

11709. Do they sell at 1s. 2d. to the timber merchant?—For yellow-wood boards they get a little more, but there is practically no demand for them.

11710. It would appear that if you could get timber at these figures you could manufacture it into flooring?—Yes.

11711. Is assegai suitable for bows for wagons?—No.

11712. Have you any suitable wood?—Young stinkwood.

11713. Out of the branches probably?—Yes.

11714. Is there sufficient of this young stinkwood for that purpose?—Yes.

11715. Will this discovery of lignite bring down the freight from Knysna to Cape Town?—The lignite or your general timber rate?

11716. The timber rate?—If the fuel is satisfactory. It will help to reduce the freight. At the present time we are suffering from a lack of tonnage.

11717. *Mr. Kayser.*] You are steamship owners?—Yes.

11718. What is the rate of freight from Knysna to Cape Town?—On general wagon wood we charge 17s. 6d. a ton.

11719. And Port Elizabeth?—The same.

11720. Do you know the rate from the Baltic?—About 15s. a ton.

11721. What is the difference in the distance?—There is no comparison. One vessel brings as much as we ship in a year.

11722. At present it is dearer from Knysna to Cape Town than from the Baltic to Cape Town?—If we had more tonnage we could reduce considerably. The sleeper rate is considerably under that, but I cannot say what. All Knysna timber is carried at a certain tonnage scale which is very liberal, as for instance one of our small steamers will load 470 tons of sleepers actual measurement, whereas in the case of a mixed cargo of wagon wood she would only carry 340 tons.

11723. You appear to think you have an unlimited quantity of timber?—Not unlimited, but sufficient to supply all demands for the manufacture of spokes, handles and hubs.

11724. Would not a better way be to reduce the freight to give people an opportunity of buying the goods?—17s. 6d. will not make much difference on a ton of spokes running from £24 to £25 a ton.

11725. Take an article like stinkwood. 5s. a ton is 3d. a cube?—1½d. a cube.

11726. We have evidence from cart builders that they cannot use yellow wood for carts. I asked about rims. You specially mention rims. Can you make them?—We use felloes.

11727. Do you want to withdraw rims?—We have the plant for manufacturing rims, but it does not pay us.

11728. Are they unsuitable?—No.

11729. The cart builders say they are?—They are not, but we cannot supply at the price.

11730. Is it not a fact that you have great difficulty in delivering your orders for felloes, etc., from Knysna?—When the trade was good.

11731. If this 25 per cent. were put on and you stopped importation, would not the same thing occur again?—No.

11732. You say here the duty on rough timber should be proportionately increased. What do you mean by that?—It comes in practically free to-day.

11733. What do you suggest?—At least 10 per cent. on all rough timber.

11734. Would not that mean it would be simply a tax on the manufacturer?—I do not think it would be a very great tax.

11735. Can you deliver stinkwood 18 ft. long and 3 by 9?—We can supply ironwood, which would answer the same purpose. They can use that for wagon-building.

11736. You would like to force them to use those hard woods?—I would not like to force them, but they are using Australian hard-woods, which are as hard and heavier, some of them.

11737. What is the price of this particular article?—Iron wood we can deliver at 5s. to 5s. 6d. a cube.

11738. What does the imported article come to?—About the same price.

11739. You can really compete?—Some are cheaper. We can land Australian blue-gum at a fraction over 3s., cut to size.

11740. Is there any demand to-day for yellow-wood flooring?—Practically none.

11741. What has made the demand run out? At one time it was always wanted?—The imported article is cheaper to lay.

11742. So the builders prefer to use it?—Yes. The yellow-wood makes a better flooring, but they go in for cheapness. We can supply yellow-wood flooring at 1½d. a foot.

11743. 3d. a super. foot?—Yes.

11744. In addition to that you have to pay freight and charges?—Yes.

11745. What is the other article sold at?—1⅛d. and 1 3-16d. to the builder.

11746. It would make a marked difference in the cost of the building?—It depends on the size of the building, but the flooring is not a very big item. It would increase the cost.

11747. Can you manufacture ceiling?—Yes.

11748. From yellow-wood?—Yes.

11749. Will it stand the thin cutting?—Yes. We used to supply Oudtshoorn once by ox-wagon.

11750. Have you no railway communication now?—No.

11751. *Mr. Harlow.*] Do you wish to include all handles?—Yes.

11752. Take a shovel handle?—It can be made here.

11753. But not so satisfactorily as the imported article?—There are certain woods with which we can make a decent shovel handle.

11754. You would not press that point?—Not actually for shovel handles, but for all other handles.

11755. *Mr. Pyott.*] Do you mean raising the duty on ordinary deal?—More the hard wood.

11756. Are you in a position to supply all the hard wood necessary for cart and carriage building?—I think we can.

11757. It is all suitable?—Yes.

11758. What is the difference between the selling prices of yellow wood and the ordinary flooring?—The Baltic flooring would be sold at 1⅛d. per running foot, which is equal to 2¼d. super, and the yellow wood at 3d.—¾d. higher.

11759. It is more durable?—Yes, and makes a much better floor. You will find it in the old buildings.

11760. Have you the difficulty of this stuff warping?—Not if it is properly seasoned.

11761. *Mr. Scott.*] Cut into 4 in. it would not warp?—No.

11762. *Mr. Pyott.*] Are you sure you can supply all the light spokes required?—Yes, all that are required.

11763. Equally as good as the light American spoke?—Yes.

11764. And you think you should have protection on that?—Yes.

11765. *Mr. Kayser.*] Will you tell us the price of pick handles?—Wholesale 6s. a dozen.

11766. Do you know what the imported article sells at?—The price has gone up, but I have not gone into that; I am not quite sure.

Confectionery, Jam and Preserve Making.

Henry Paterson Shepherd, of Shepherd Bros., Jam and Preserve Manufacturers, examined upon the following statement sent in.

Sugar.—The duty on this article under the old Convention 1896 was 6s. 3d. per 100 lbs., but after deducting 1s. for collection, we received a rebate of 5s. 3d. per 100 lbs., whereas the duty in full is charged, viz., 3s. 6d.

Reasons for the withdrawal of rebate on sugar.

This matter was brought up before the Convention of 1902, but rebate was refused on the ground that we were to have our sugar free of duty from Natal. Natal sugar, however, for two reasons cannot be used by us in our manufactures.

(*a*) Natal sugar has up to the present never been sufficiently refined to be absolutely free from the flavour of molasses, hence, if used in jam-making, the jams taste as if made from very low grade sugar.

(*b*) The markets for Natal sugar in the Transvaal and O.R.C. are so large, that the manufacturers can spare little for this market.

If, in the opinion of the Government, the old system of rebate seems too cumbersome and costly, we would suggest that the system now in force in the O.R.C. be adopted, viz.: a bonus of one penny per lb. on all preserves, jams, jellies, komfijts, and canned fruits where the output exceeds 50,000 lbs. per annum.

Our object in advocating either the rebate or bounty system is as follows:—Manufacturers could sell at lower prices, and thus reduce the cost to the consumer; they would also be able to buy large quantities of fruit and thus benefit the Agricultural Industry and the country generally. Further an export could be cultivated with other countries; this is not possible under present conditions.

At one time we packed as many as 50,000 tins of canned tomatoes in a season, and had a ready sale for them, but since the duty has been reduced from 2d. per lb. to 10 per cent. *ad valorem*, our market has been closed. We would suggest that canned tomatoes be classed as canned fruits (as formerly) and pay 2d. per lb. duty. This country can supply an unlimited supply of tomatoes, therefore there should be no need of importing. During the past three years large quantities of imported jams, and canned fruits have been reshipped in bond to German S. W. Africa, should the Government grant the bounty as suggested, South African manufacturers could compete for this trade. In view of the fact that Australian manufacturers are granted a bounty on all jams exported, we would suggest that in addition to the ordinary duty on jams from that Colony, an extra duty (equal to the amount of rebate given) should be imposed.

There are certain fruits that cannot be grown in South Africa, such as black and red currants and raspberries; the pulp of such fruits should be admitted free of duty.

11767. *Chairman.*] You wish to give evidence on jam manufacturing and fruit canning?—Yes.

11768. Do you wish to make a statement in addition to your written statement?—No. This pretty well covers all the ground I wish to bring before you.

11769. *Mr. Pyott.*] As a jam manufacturer, you prefer to revert to the old style of a rebate on sugar?—Yes; I recommend it.

11770. You are aware that we are a party to the Customs Union, and that one of the parties is making sugar. Could you do it in face of that?—Yes, because Natal cannot supply the Cape Colony with sugar. It is so largely used in the Orange River Colony and the Transvaal that Natal cannot supply the sugar for Cape Colony, or if it does, it is at a price which is prohibitive for the jam manufacturer here.

11771. Have you used Natal sugar lately?—No.

11772. When you mention molasses you are not speaking of late years?—No. I have seen Natal sugar as recently as three months ago, and find the same fault—it is too absolutely sweet, with the flavour of molasses.

11773. You think it must be more refined for jam manufacture?—Yes. I know it is not possible at present to use it in the manufacture of jam.

11774. In the fourth clause you say if the suggestion of a rebate is too costly to the Government you would recommend a bounty of 1d. per pound?—Quite so, to compete against the Orange River Colony, which is granting the same bounty.

11775. You are not having this on the same basis as you are speaking of the rebate?—No. They are alternatives. If they revert to the old system of rebate we do not ask for the bounty, but under the present system, by which we pay the tax on sugar, we say, why not grant a bounty like the Orange River Colony?

11776. Supposing the Orange River Colony, over and above the bounty, rebate the sugar?—We say we are entitled to be in the same position as they—otherwise we cannot compete at all.

11777. You do not make this an equivalent to the rebate?—No.

11778. You speak of it in this statement like that?—That was drawn up while I was away, and some of it has not been put as I would have put it. I suggest that if the Orange River Colony continues the bounty we are entitled to the same rebate.

11779. If you get this will the consumer benefit?—Absolutely.

11780. Do you think it is reasonable?—I do, from this point of view, that if the Government grants us 1d. a pound rebate we will produce more cheaply than we are doing. You will agree that that means increased consumption, and what do you want in this country? You do not want to buy fifty tons of fruit, but by the thousand tons. It will simply mean we shall be in the position to buy two or three times the quantity we are now buying.

11781. Have you the market for the thousand tons you speak of?—If the prices are reduced we will have a certain market. We have also asked for a rebate in order to enable us to export.

11782. Your feeling in connection with this bounty granted by the Free State is that we should have a compensating bounty in this Colony?—Certainly. I consider it would be an advantage in dealing with the Orange River Colony. If it were known that we should also have a bounty in this country, I think we should bring them to terms more easily.

11783. You are aware that this system must go on for three years?—Yes, and consequently we must be put in a position to compete.

11784. What does this mean for the Government of Cape Colony, with the various manfacturers we have?—It would certainly be a considerable amount.

11785. You would not press the point, I suppose?—No.

11786. As a business man, you see the tremendous amount it means to the Government?—Yes, but in the case of a Convention we should have a lever to work with.

11787. Is there not some way of dealing with the bounty in the Orange River Colony without giving a compensating bounty in the Cape Colony?—I cannot suggest one at the present moment.

11788. You would not suggest putting a duty on these bounty-fed articles coming into Cape Colony?—No, I would not like to suggest that.

11789. Do you find they are cutting into your trade to-day?—To a certain extent in certain markets, but I am perfectly convinced in my own mind that if the Orange River Colony know a petition has gone from the manufacturers here to be put on the same basis, they will stop the practice; I am almost certain of it.

11790. Are you content to go on for the full period?—Yes, with the expectation that an agreement will be come to.

11791. When the bounty has run out?—Yes.

11792. You speak of certain markets in which they cut into your business. Will you state them?—I am led to understand they are doing a considerable business in Johannesburg and Kimberley.

11793. And the Orange River Colony?—Yes. That and the Transvaal are their principal markets.

11794. Do you also suggest a bounty on jam for export, supposing you cannot give you the rebate on sugar which you ask for?—On jams exported to foreign countries, I think we should get a rebate equivalent to what we are paying on sugar.

11795. What would that amount to?—You could put so much per pound or by the case.

11796. So much per 100 lbs.?—That would do it.

11797. And that would simplify matters for the Customs?—Yes.

11798. And the Customs could not be taken advantage of?—No.

11799. Because all fruits carry nearly the same sugar?—Yes.

11800. In regard to tinned tomatoes, you suggest that we should go back to 2d. a pound instead of 10 per cent.?—Yes. We used to tin very large quantities, which meant large contracts for the farmers. The Transvaal wanted cheap living, and wanted them in cheap, and on account of their moving in the matter the duty was reduced to 10 per cent., and our plant, except for canned fruits, has been rendered absolutely useless.

11801. What does 10 per cent. *ad valorem* mean per pound?—It means practically 6d. a dozen. It is 10 per cent. on 4s. 3d. We have suggested here 2d. per pound, which is the duty on canned fruits, but I should also like to point out that whereas it may be wise to suggest that as a fighting point we would be perfectly satisfied to accept 1d. a pound.

11802. You are quite satisfied with 1d. a pound?—Yes. I will amend my statement accordingly.

11803. You say in the last clause of your statement that there are certain fruits which cannot be grown in South Africa, such as black and red currants, raspberries, etc., and the bulk of them should be admitted free of duty. Do you think that is a wise suggestion?—I am prepared to say that we shall be glad if they can see their way to reduce the duty to 1d. per pound. At present it is 2d.

11804. Do you think it is fair to the farmer who is growing other classes of fruit?—I have two reasons for my suggestion. The first reason is the competition from Great Britain and from Australia in all assortments of jams. They have these fruits mentioned here, and in many instances orders go past the Colonial manufacturers. If the Colonial manufacturer was put in a position to put all these jams in his assortment, he would keep out infinitely more of the imported article than he is doing at the present moment.

11805. You mean to say you would improve your assortment by those different sorts you mention?—Yes.

11806. You would like to bring this forward as a suggestion?—Yes.

11807. To moderate the tariff?—Down to 1d.?—My second reason is that there is no doubt in my opinion and that of the fruit growers that these fruits can be grown in the Colony. A farmer says: "Look here; I hear you can use raspberries and black currants?" "Yes." "What quantity will you buy?" That I cannot tell him. In a few years time, if they are produced, we can say that we will require, say, twenty tons.

11808. Can you produce them?—Wherever you have a cold climate, yes. I am told they can produce them in certain districts—north of Worcester.

11809. Have you not a sufficient margin almost to compel buyers to buy your Colonial jams?—If a lady wants raspberry or black currant jam, you cannot substitute any Colonial jam at any price.

11810. The difference is something like 3d. a tin retail to-day, I suppose?—Quite that.

11811. ***Mr. Harlow.***] I believe you say Natal sugar is not satisfactory for jam-making?—I have said so.

11812. Are you prepared to bear out that statement?—Yes.

11813. Later on you say the majority of it goes into the Orange River Colony?—Yes.

11814. Is it used for jam-making there?—That I cannot tell you; I am not acquainted with the Orange River Colony business at all.

11815. You are asking for this rebate on the sugar more especially on jams you would like to export?—Yes.

11816. What benefit is that going to be for the Colony?—It means increased production by the jam manufacturer and increased power of buying fruit, and consequently it means a big help to the farmer.

11817. Is it any help to the revenue at all? I do not see it would be any drawback. The more money the farmer makes the more Income Tax they will get.

11818. Have you any objections to telling the Commission about what is the size of your factory as regards labour employed?—I have no objection, provided it does not go beyond the Commission [*giving details*].

11819. As a matter of fact, your factory is only working at half its proper pressure?—Yes.

11820. Can you tell us how many people you employ?—Only about forty at present.

11821. Provided you had your proper turn out, how many could you employ?—Anything from 100 up to 130.

11822. Are you a fruit grower?—No, a manufacturer pure and simple. I buy the fruit on the open market.

11823. Providing this suggested duty was put on tomatoes, raising it from 10 per cent. to 1d. a pound, do you think you could compete with the market then?—Yes.

11824. Without raising the cost to the consumer?—Of course, it would not be raised above the present cost, but at the present moment you have American and Italian tomatoes coming into the country, and we are absolutely cut out. The price to the consumer would not be raised to such an extent as to be felt.

11825. You could get a sufficient supply of tomatoes to meet your demand?—Yes.

11826. And it would have a tendency to give more employment?—Yes. I would be in a position to go to a farmer and tell him to plant 50 tons of tomatoes, and another 100 tons, and so on. It means they would have use for ground they have nothing on at present, and they would be employing labour and everything.

11827. In your packing you use a certain number of boxes?—A large amount.

11828. From what source do you obtain them?—At the present moment from Cape Town.

11829. Of Colonial manufacture?—Yes.

11830. Do you find you can get those boxes at a reasonable price?—We are getting them at the same price they used to cost us to import—finished and printed in every respect as good as any we have had.

11831. You are getting them printed in Cape Town equally as good as you can import?—Absolutely the same.

11832. Are those boxes or crates?—Boxes; that is, they have top, bottom and sides. A crate has an open space between.

11833. You get both the crates and the boxes in Cape Town?—We do not use crates at all now.

11834. And the price is equivalent to the imported?—Yes, absolutely satisfactory.

11835. What is your opinion on the present duty on box shooks?—It has not affected us at all, so far.

11836. But supposing the duty were to be taken off, would it affect you then?—If it has not affected us by its being put on, I do not see why it should if it is taken off. We are buying at the same price as we were importing at.

11837. If the duty were taken off would it have a tendency to make you import your shooks?—It is 15 per cent. We are confining our labels to Cape Colony—there is a bigger duty on them—and we might as well have the boxes here as well. We intend to encourage local industries.

11838. Do you have a market for the whole of your production?—No.

11839. The consequence is you have a certain amount of stock on hand?—We can now judge pretty well what we shall sell, and we keep stocks so that we can sell out at the end of the year, but we are not able to keep our machinery going.

11840. Do you think there is any prejudice against the Colonial manufacture?—Undoubtedly; there always has been.

11841. Do you think it has been removed to any extent?—I maintain that at the present day we are making jams in this Colony not only as good as, but, in many respects, superior to the imported jams.

11842. You have explained, in reference to black and red currants and raspberries, that you think they cannot be grown in the Cape Colony?—They can be in any place north of Worcester.

11843. Is it not a fact that they are being grown on the Karroo?—I am only aware of small quantities, and not in any quantity that a manufacturer could deal with. They have been grown in small quantities.

11844. You maintain that there is an industry in this fruit growing?—Yes. I am prepared to give orders to the farmers for them.

11845. He has not as yet planted these things and offered to supply them?—No.

11846. In reference to the tins you require, those are all Colonial made, I take it?—We are making all our own. We import the tin plate and the solder.

11847. *Mr. Tod.*] Are you satisfied with the present duty on jams?—Yes, quite satisfied.

11848. In spite of the duty on sugar you are able to hold your own in the Colony?—Yes.

11849. So that really, in regard to the sugar question, you would be satisfied if you got a rebate when you came to export?—As a matter of fact, we would be.

11850. Are you affected by the preferential railway rates?—Not now.

11851. Do you not get your jams over the railways at a lower rate than the imported jams?—No. I did not know of any difference.

11852. There is a considerable agitation going on up-country against these differential railway rates, and I want to know whether you are in favour of their being done away with; that is to say, your Colonial jams will be carried over the railways at just the same rate as the imported jams?—I consider the protection at the port is sufficient.

11853. In any case, if it were not sufficient, you think the protection should be given through the Customs rather than the railways?—Certainly, absolutely.

11854. *Mr. Scott.*] With reference to the export of jam, there are certain jams which you think you can export?—Yes.

11855. Could you enumerate them?—Apricot particularly, peach, quince jam, and marmalade, plum jam, and orange marmalade.

11856. You are of opinion that a rebate on sugar would enable you to export?—Yes, to certain markets outside South Africa altogether.

11857. Do you mean the British markets?—No; I do not think we need attempt that.

11858. Can you suggest any means whereby the farmers would be induced to grow raspberries and the other fruits not at present grown?—My suggestion is that they should be shown there is the actual demand for them, and the amount of that actual demand per annum.

11859 How is the farmer to know that generally?—He cannot unless we have once manufactured the stuff, and can say that we consume so much per annum. Until then they will never attempt to grow them.

11860. I take it it would be a suggestion from you that the farmers should produce those fruits?—Yes.

11861. With regard to tomatoes, will these be exported at any time from the Cape?—No, but there is a tremendous market in the Cape for them which we are not supplying at all. I do not know how many thousand cases are brought into the country from America and Italy. It is rather hard if you go to a wholesale merchant to sell your tomatoes and find two or three wagon loads of imported tomatoes being off-loaded at his door, and cannot get a look in with your own.

11862. Does the merchant generally support your jams?—No; that is, the merchant generally does support our jams, but does not always willingly support a new article.

11863. What is your idea with regard to the length of time the tariff should be in existence?—Nothing less than five years. I should say ten years myself, and my reason is this: given a certain tariff and inducing people to take up a certain industry, you cannot pay your interest on the new plant you import and put down, in order to pay off that plant, in less than ten years. If the tariff was for five years you would have to charge 20 per cent. depreciation per annum, and make your prices accordingly, but for less than five years you know yourself that no man will put down the plant for a new industry unless he knows exactly where he is.

11864. From your experience since you started jam-making in the Western Province, has it encouraged the production of fruit?—Enormously.

11865. Is that still going on?—Yes. I can show you a plantation of 500 quince trees planted out the same as apples, whereas the one doctrine in this country was that the only way to grow quinces was in hedges. I can show you them in the Stellenbosch district planted out on my behalf.

11866. Have you any suggestion to make, as a jam manufacturer, with regard to encouraging fruit growing?—No, I have not. At the present moment there are several things they cannot grow, because there is no demand for them. The growing of tomatoes would make a very big difference in many districts. When I went Home in 1899 I took three tons of tomato puree, which is the tomato deprived of skin and seeds and concentrated, and is used in putting up herrings and tomato sauce, and in various soups and sauces and things of that kind. I sold all that stuff, and since then have had inquiries for it to be shipped Home. I could not do it, because I simply paid expenses on it. If we get this tomato industry on its proper footing, and can hand out contracts for hundreds of tons of tomatoes, it is possible that the farmers will be able to produce them at such a price that we will be able to collar the tomato puree market again. You cannot do it unless you can give a contract for, say, 500 tons. I had to compete against the Italian and French tomato puree with my shipment, but it is no use sending it.

11867. *Dr. Viljoen.*] It is a fact that tomatoes can be grown here outside of the extreme belts—in the moderate zone—in almost unlimited quantities?—Yes.

11868. By the moderate zone I mean places like Stellenbosch, Paarl, and Caledon, where there is not too much frost and hail?—Yes.

11869. Are you aware an attempt was made some years ago—I believe from your district—to export tomatoes?—There was an attempt.

11870. It was not satisfactory, but still the attempt was made?—That is right.

11871. The growth of tomatoes has considerably decreased during later years?—Vastly.

11872. Can you assign any reason?—No demand—manufacturers stopped buying. I used to buy 100 to 150 tons, and now I buy five or ten tons perhaps.

11873. You are not the only factory buying this stuff, or that would buy it, in the Western Province area?—I believe so far I am the only tomato canner in that area.

11874. Did I understand you to say that the merchant wants a bigger commission on the Colonial article than he would take on the imported article?—Yes.

11875. Did I understand you to say that your factory is running practically half time in the manufacture of jams?—Practically.

11876. What is the reason for that?—There are many reasons; loss of population is one.

11877. Are you running this factory at half time because you cannot get the fruit?—No, because we cannot get the consumption.

11878. The fruit is there in abundance?—Yes.

11879. As a matter of fact, some of the fruit could not be sold last year?—Yes, that is quite true. Last year was exceptional.

11880. It was in excess of requirements?—Vastly.

11881. If you had a larger consuming population, or better facilities for selling your product, you could get rid of it?—Yes.

11882. Did I understand you to say that you are against the differentiation on the railways as applied to all Colonial products, or only in regard to jams?—I am only speaking for jam. We think we are quite protected at the port.

11883. You are not in a position to say you want an abolition of the preferences on other Colonial products?—No, I am not prepared to say that.

11884. Instead of 10 per cent. you want the duty fixed at 1d. a pound. Do you not find in your experience that it is rather difficult to arrive at an *ad valorem* duty on any agricultural product, whether it be on jam or anything else, because it has a fluctuating value?—Correct.

11885. And a fixed duty is much better?—Yes, that is absolutely right.

11886. I believe that is one of the reasons you want it fixed?—Yes; we want to know where we are.

11887. You want a rebate on the sugar for export jams. Did I understand you to say you want a rebate on all the jams?—No. We want the duty on the sugar rebated on jams we send out of South Africa.

11888. Exported oversea?—Yes.

11889. Not to the inland States?—No.

11890. *Mr. Kayser.*] You are asking for a rebate on the other, are you not?—We have asked them to revert to the old system of the rebate on sugar. If they cannot see their way to do that, as I do not think it is likely they will; the next best thing is to have a rebate on sugar on all jams exported oversea.

11891. With regard to the old rebate of 3s. 6d., what was the duty on confectionery and jams at that time?—I think 2¼d.

11892. It was 2d. So with this last Convention you really got the 3s. 6d. given you by getting a protection of 2½d.?—That is ample.

11893. If you will not mind my saying it, you are rather unreasonable in asking for the 3s. 6d. now, seeing that you have the additional duty of 2½d. a pound?—That is not the point with me. The point is this, as I have already pointed out, that the more cheaply we can produce jams the greater the quantity which will be consumed. The greater the quantity of jam consumed the greater the demand for fruit; and consequently it will develop the agricultural industry and fruit growing industry of South Africa.

11894. At any rate, you are in practically the same position as before?—Yes.

11895. You are not prepared to press this?—No.

11896. So far as the exports are concerned, I think you have a perfectly reasonable claim. I understand your reason to be, in asking for this refund of duty, that this sugar does not go into consumption in this country?—That is correct.

11897. And therefore you consider you are perfectly reasonable in asking for it to be refunded?—That is absolutely the position.

11898. Supposing you get this refund of duty on sugar and jams exported, will that affect your price?—In the Colony

11899. No—on the export price of jams?—Undoubtedly.

11900. Your price would be reduced accordingly?—Yes, otherwise we could not enter into the export market.

11901. If you got the advantage of the rebate of the duty, it would enable you to compete better in the foreign market?—That is all we want.

11902. With regard to the railway rates, you say you are perfectly protected and are quite prepared to give way on that point?—Yes.

11903. How long have you been in this business?—Thirty years altogether, of which 17 have been in this country.

11904. Would you say that has been a reasonable time in which to introduce your jams into this Colony?—Yes.

11905. Because you said the merchant told you he wanted a lower price for your jams because he had to introduce them?—Yes, but my jams have been introduced.

11906. Why give him a special price to introduce them?—I am talking of when I told the manufacturers I had started jam-making. I am talking of the difficulty of manufacturers in general.

11907. I believe you have conveyed the impression to the Commission that you have that difficulty to-day?—No. Suppose I produce a new jam or anything else to-morrow and want to put that on the market, that is the first thing which will face me.

11908. You have no difficulty with the jam you have already introduced?—

11909. You find they will handle it because they have to supply it?—Yes.

11910. You have, as a matter of fact, got into touch with the consumers, and they call for your jams?—To a large extent.

11911. If it is a fair question, will you tell us what difference there is in price to-day between your jam and the imported jam? Take apricot jam?—I do not know the price of the imported.

11912. Is not your jam being sold cheaper to-day than the imported jam?—Enormously cheaper.

11913. Can you tell how much per dozen?—I should think about 1s. to 1s. 3d.

11914. *Mr. Tod.*] Wholesale price?—Yes.

11915. *Mr. Kayser.*] Is it not being sold cheaper retail?—Yes. It is sometimes 6d. a tin cheaper retail.

11916. Is that solely on account of the lower cost?—No; I am sorry to say it is largely on account of internal competition.

11917. Among manufacturers?—Yes.

11918. So it is not only the question of a high protective duty that you require in order to make your manufacture a success; you must have the internal demand?—Yes.

11919. I would like to ask you with reference to the bonus paid in the Orange River Colony whether you do not think that, for your protection, as far as our Government is concerned, it would be reasonable to ask for a countervailing duty, so that no goods from the Orange River Colony should come into your territory?—Absolutely. That is what I suggest.

11920. You suggest a bonus of a similar nature, which would allow your goods to go into the Orange River Colony. Is it not legitimate that the Orange River Colony manufacturer should want his own market?—Undoubtedly.

11921. You would be satisfied if a countervailing duty was put on at the Cape borders?—I doubt that.

11922. You want both your market and his market as well? I would prefer that we should both have a fair chance. If I want the chance of his market I should give him the chance of mine, but if he is to shut us out, I say shut him out.

11923. You admit that he has to pay carriage on his raw materials inland. Will you make him an allowance on that?—Yes.

11924. And his bonus?—Yes.

11925. You know, as a matter of fact, that he could not compete with you, as a coast manufacturer, on the same terms? Yes.

11926. So it is reasonable that he should have some protection?—Yes. Put us on a fair footing. Let us fight fair; that is all I ask for.

11927. With regard to the tomatoes, would there be any possibility of working up an export business in those, apart from the tomato puree?—Within three or four years you might, but it will take that time to get the farmers into the habit of producing them regularly and in sufficiently large quantities at a low price.

11928. Our local market is a large one?—Yes.

11929. So if you got the protection of 1d. a pound you would be able to control our local market? Yes, and it would probably lead ultimately to exporting.

11930. In regard to your request for a special reduction of duty on pulp of black and red currants and raspberries, are not those, so to speak, in the nature of a luxury?—No more than apricot jam is a luxury.

11931. You say people will have that jam at any price if they want it—Yes.

11932. And are you prepared to pay the price?—Yes.

11933. You said you would require to know the quantity you would absorb before you could call upon the farmers to grow it?—Yes.

11934. Do you import now?—To a certain extent. I put up a ton of raspberries where previously I put up 15 tons. I have not the actual demand to-day, because it has gone out of the market.

11935. Have you made any attempt to get the farmers to grow it, even to the extent of 15 tons?—Yes, I advised them several times.

11936. *Dr. Viljoen.*] As a large manufacturer in the Cape Colony, are you in favour of a Customs Union with the neighbouring Colonies?—Certainly.

11937. Would you be prepared to make sacrifices to continue that Customs Union?—I have offered sacrifices here. We are prepared to meet them in every way we can to continue the Union.

11938. *Mr. Kayser.*] With regard to these tomatoes, I take it, if this duty were imposed, it would increase the price of the article in this country?—To a very small extent. They would not feel it.

11939. The ultimate benefit would be that you would be using Colonial fruits? —Yes, and giving an opening for a new industry.

11940. And, of course, the revenue of the Colony would suffer to that extent—the extent of the duty on tomatoes?—Yes.

11941. Are you aware of the preference you are enjoying to-day over the railway from Cape Town to Kimberley for the Colonial as against imported jams?—I must confess I am at a loss there, because we got a notice of some alteration six or eight months ago, which I understood brought our prices to much the same as the imported article.

11942. If I tell you that you are enjoying a preference of ¾d. per ton to-day over the Colonial railways, are you prepared to do away with that?—If they give us a *quid pro quo*, yes.

11943. You were not aware of that?—No. I am not prepared to dispute the figures, but it came under my notice some six months ago, and I was under the impression that there was a distinct alteration.

11944. You would be prepared to do away with the preferential railway rates, even in face of that?—Not unless we get a *quid pro quo* for it.

11945. *Mr. Tod.*] To revert to the export question, supposing the rebate on sugar is allowed where jams are exported, do you think there is a reasonable hope that a considerable export trade will be built up?—I think so.

11946. In any special lines?—It would be more in the general lines plum, apricot and quince jams, and those things.

11947. Therefore, it would be very clearly to the interests of the country to encourage that?—Undoubtedly.

11948. In reply to Dr. Viljoen, you were going to give some explanations of the decrease in the manufacture. What I want to know is whether the consumption is on the increase or the reverse?—In the meantime it has been on the decrease, owing to the loss of population.

11949. But it has not been a greater decrease than has been the case with the consumption of the imported, I suppose?—No. We have knocked out the imported article to a large extent.

11950. Probably the Colonial jams are gaining ground?—They are, undoubtedly.

11951. *Chairman.*] Do you think it at all practicable to apply that rebate on sugar on jams exported?—I think there should be no difficulty.

11952. How will the Customs know which is Natal and which the other sugar? The Customs cannot allow a rebate if they do not get a duty on some of the sugar? —They can compel us to keep books, as they did before.

11953. Would it not lead to fraud?—I do not see that. They have access to our bonded stores and everything. I would suggest the bounty should be so much per pound or so much per case on jams going out of the country.

11954. It was suggested at another place that it should be ¼d. a pound?—That would be just about right; that would be all right.

11955. The shrinkage of the consumption of Colonial jams is really owing, to a great extent, to the military stores being sold?—That did a vast amount of harm.

11956. But that is past?—Yes.

11957. And you are gradually increasing the sale of your jams?—I think so.

11958. Do you not think there is a bigger difference than 1s. or 1s. 6d. a dozen between imported jams and yours? Is it not 3d. per pound tin?—It is more than that.

11959. The Colonial jam is sold at 5d. to 6d., and the imported at 9d.?—Yes.

11960. Do you not think that is ample?—6d. is the difference between a two-pound tin.

Edward Robert Bevan (of J. J. Hill and Co.), *James Buchanan* (of J. and A. Buchanan), *Cecil Morgan L. Lückes* (of Gerald and Co.), and *Abel Samuel Bensimon*, Confectionery and Jam Manufacturers, examined, handed in the following statements:—

The following tariff alterations are recommended:—

(*a*) That caramel paste, at present paying 2½d. per lb. duty, be admitted at 15 per cent. *ad valorem*.

(*b*) Canned tomatoes, now paying 15 per cent. *ad valorem*, to be specially rated.

(*c*) The present tariff rates on jams, confectionery and preserves to be maintained, but a duty of 2½d. per lb., or 30 per cent. *ad valorem*, whichever shall be the greater, should be imposed on the higher class of confectionery.

(*d*) Dutch crusted sugar to be admitted at 3s. 6d. per 100 lbs. instead of at 5s. per 100 lbs. as at present.

(*e*) Raw cocoa beans to be reduced from 1d. to ½d. per lb.

(*f*) The pulp of fruits not grown in the Colony to be admitted free of duty.

(*g*) A rebate of the duty on sugar used in preserves, jams, &c., exported oversea, or an alternative bounty of 1d. per lb.

Statement on the question of the preferential railway rates and of the bonus given in the O.R.C. on the production of jams and confectionery :—

We would also draw the attention of the Commission to the unfair position in which we manufacturers of this Colony have been placed by the action of another State within the Customs Union in granting a bounty upon jams and confectionery, which, whilst enabling them to supply their own requirements, also allows them to compete for a large portion of the trade of this Colony on terms very much to the detriment of manufacturers established here.

We consider, therefore, that this matter should be dealt with either by way of abolition of the bounty in question or that a similar countervailing bounty should be paid by this Colony to its manufacturers.

With regard to preferential railway rates we are strongly of opinion that the continuation of these rates is of the most vital importance to the welfare of these industries in the Western Province in competition with other centres of the Colonies for the trade of the inland districts and that of the adjacent Colonies.

Owing to our geographical position being further away from these centres than the other ports, we are obliged to pay the difference in railage between the respective ports and destination. It therefore naturally follows that the higher the railway rate the greater the difference we should then have to pay, *e.g.*, taking Kimberley as the destination, and assuming the rates now in force for imported jams and confectionery to be maintained, the difference works out as follows :—

PREFERENTIAL RATE.

(*a*) *Confectionery.*—	Cape Town to Kimberley ...	6/1½	per 100 lbs.
	Port Elizabeth to Kimberley ...	4/9½	,,
	Difference now paid ...	1/4	,,
(*b*) *Jams.*—	Cape Town to Kimberley ...	4/11½	,,
	Port Elizabeth to Kimberley ...	3/10½	,,
	Difference now paid ...	1/1	,,

IMPORTED RATE.

(*a*) *Confectionery.*—	Cape Town to Kimberley ...	11/0½	,,
	Port Elizabeth to Kimberley ...	8/5½	,,
	Difference then to be paid ...	2/7	,,
(*b*) *Jams.*—	Cape Town to Kimberley ...	11/0½	,,
	Port Elizabeth to Kimberley ...	8/5½	,,
	Difference then to be paid ...	2/7	,,

We trust we have now made it clear that if the present preferential rates be discontinued and higher rates substituted, the prosperity of these industries in the Western Province, in which considerable more capital is invested, a greater number of hands employed, and a larger amount of wages paid than in any other part of South Africa, will be seriously affected.

11961. *Chairman.*] You wish to give evidence on jams and confectionery?—*Mr. Bevan.*] And fruits.

11962. The principal points I think you raise are the questions of the duty on Dutch crushed sugar, the duty on tomatoes and the duty on high-class confectionery?—Yes.

11963. Do you wish to add anything to your statement?—There is one other point to which we attach great importance, and that is the question of the preferential railway rates in the Colony, and another point is confectioners' requisites, which I see mentioned here, too.

11964. Most of those practically come in free now?—The article caramel paste at present is rated for dutiable purposes at 2½d. a pound. It previously came in at 15 per cent. duty. In our particular industry I may say we do not make much use of caramel paste, but Messrs. Gerald and Co. are using a considerable quantity of that, and are going in extensively for the manufacture of caramels, which hitherto have been entirely in the hands of oversea manufacturers. They point out that if the duty is increased to 2½d. a pound it will practically prevent them from continuing the manufacture. The reason they ask that caramel paste should continue to be admitted at 15 per cent. duty is that it does not partake of the nature of a sweetmeat, but is essentially a raw material used in the manufacture of the article. They think it would be impossible for them to continue the manufacture of caramels.

11965. Is it used for any other purpose?—Only for the manufacture of caramels. It is a raw material specially made for that purpose.

11966. On the question of railway rates, you are aware that there is a very strong objection to the preferential railway rate?—So we understand, but we feel very strongly on that matter, and if the preferential railway rates are done away with it will very seriously affect the welfare of the industry in the Western Province. Our industry, I think I may say, is in a unique position, in that other industries are not obliged to pay any railway rates in competition with manufacturers established in other centres of the Colony, the same as we have to do. If we wish to do any business in the adjacent Colonies or north of Victoria West, owing to our geographical position we are obliged to pay the difference in rate between Cape Town and Port Elizabeth or East London—the destination, and if the preferential railway rates are done away with and the rate increased to the level of the imported rate for the Colonial article, it will naturally follow we shall have to pay an increased difference in railage. At the present time, taking Kimberley, we are paying 2s. per hundred pounds more on confectionery until two weeks ago, but now they have reduced the rate to 6s. 1½d. So from Cape Town to Kimberley the rate is 6s. 1½d., whereas from Port Elizabeth it is 4s. 9½d., leaving 1s. 4d. to be paid by the Manufacturer in Cape Town. On the jams, which is a very important part of the industry, the difference is more striking. At present it is Cape Town to Kimberley 4s. 11½d., Port Elizabeth to Kimberley 3s. 10½d., leaving 1s. 1d. difference; but should the preferential railway rate be withdrawn and the Colonial article rated the same as the imported article, and assuming the rate on the imported article to remain as at present, the rate to Kimberley from Cape Town would be 11s. 0½d. per hundred pounds, and from Port Elizabeth 8s. 5½d.—a difference then to be paid of 2s. 7d. per hundred pounds.

11967. But the point is this. It is a question of the manufacturers in the inland towns and up-country. They complain that you get special advantages at the ports. Do you object to manufacturers throughout South Africa being placed on the same basis as you as regards railway rates?—We cannot agree that there should be any interference with the preferential railway rates.

11968. That is against the imported goods?—As ruling at the present time.

11969. We have the objection in all the inland towns that they have to pay a higher rate on the raw material than you on the manufactured goods, and therefore they cannot manufacture anywhere but at the ports?—With the exception of two factories in the Western Province, quite adjacent to Cape Town, I am not aware of there being any manufacturers established in the inland centres of this Colony making jams, except one in Grahamstown and one in King Williamstown for confectionery both of which are very close to the ports, so that they are not affected.

11970. There is no reason why they should not be able to manufacture at other places?—As far as the jam is concerned, the fruit industry of this Colony is practically established in the Western Province.

11971. Therefore you have an advantage over the Eastern Province by getting the fruit nearer your factory?—The rate for fruit in Cape Colony is so much less than the manufactured rate. It is carried at the agricultural produce rate. Even taking that into consideration,, the disadvantage would be very considerable.

11972. One of the difficulties will be that if you are going to do away with the preferential railway rates on one class of manufactures you cannot very weel keep them on another?—If the preferential railway rates were done away with it would very seriously affect the welfare of the industry in the Western Province, which employs more hands and has more capital invested than any other part in South Africa. Our business has been built up with the preferential railway rates until it has assumed its present large proportions, and our trade ramifications extend all over South Africa to-day.

11973. You want Dutch crushed sugar to be brought in at the same rate as ordinary sugar?—Under the 1903 Convention all sugars come in at 3s. 6d. per hundred pounds. Until a matter of some two months ago Dutch crushed sugar came in at that rate, and then the Customs put the interpretation on it of being loaf sugar, and brought it in at 5s. per hundred pounds, with the result that the manufacturers here were obliged to discontinue the use of that sugar. Any revenue the Government might have received at 5s. is now lost to them; if the idea was increasing the revenue of the country, they are losing it.

11974. You use other sugars instead?—We have to, but we do not find other sugars are altogether as useful for certain purposes as the Dutch crushed sugar was.

The Dutch crushed sugar can only be used for manufacturing purposes. It cannot be compared with cube sugar imported for grocery purposes—Tate's cube sugar, or any of those; it is a sugar imported for manufacturing purposes.

11975. One of the Colonies of the Union makes sugar, and they want to bring their sugar into use. They have serious objections to the present duties on sugar, because they have been placed at serious disadvantage by the last tariff by the other sugars coming in at the same rate. We have to consider one of the members of the Union on the sugar question.

11976. As far as we are concerned we cannot get Natal sugars if we want to use them in the industries; they do not come round these parts at all.

11977. What duty do you want on tomatoes?—We want them rated the same as canned fruits, on the ground that the tomato is a fruit and not a vegetable, and also since the tomatoes were brought in at 10 per cent. the whole of the trade has practically gone into the hands of oversea competitors and the agricultural development of tomatoes has been entirely dropped, whereas considerable quantities were grown in the surrounding districts; the cultivation now is practically nil. If they were rated at 2½d. per pound, the same as canned fruits, the Colonial manufacturers would be able to supply the whole requirements of the Colony. It would not increase the price to the consumer, because the internal competition in our trade is so very keen, but the difficulty is that owing to the duty having been imposed the cultivation of the tomatoes has dropped, and we cannot get tomatoes for canning purposes.

11978. We have had other evidence that 1d. is quite ample protection?—We should be quite satisfied if they put it at 1d., but I do not see why it should not be rated as a fruit, seeing that it is a fruit. That a distinction should be drawn between one species of fruit and another seems to me to be rather an anomalous position.

11979. *Mr. Kayser.*] With regard to the caramel paste, will you tell us what that is made of? You have said, in reply to the Chairman, that is can be used only for the manufacture of caramels?—*Mr. Luckes.*] That is so.

11980. What does it consist of?—Fat, butter and milk. It is a caramel paste provided specially for the caramel making; it is the basis of caramel.

11981. It would be absolutely impossible to manufacture that here?—At present. It is not procurable here, and I do not think it will be manufactured here.

11982. Is the manufacture of the caramel paste a secret?—Partly, I think. There are firms at Home making a speciality of this, and they are known throughout the world for this particular article.

11983. Of course, you are not quite in order in stating this is the only place where they are made. I believe they are made in Port Elizabeth. I have seen them advertised. Still, that does not affect the question; we must consider the whole Colony. The caramel paste, in your opinion, could not be manufactured in South Africa?—No.

11984. The only difficulty I see in allowing a reduction in the duty would be that its component parts—such as butter, margarine, and fats—have a special duty?—Both fats and butter are in it, but it is a secret from me.

11985. Would it meet you if it came in at the 15 per cent. rate?—Yes.

11986. As a compromise, if we could get it in at the *ad valorem* rate you would be satisfied?—Yes. It is the 2½d. a pound we object to, which is a tax of about 60 per cent.

11987. With regard to the railway rates, you made a special point that these particularly affect the Western Province manufacturer as against East London and Port Elizabeth?—*Mr. Bevan.*] Yes.

11988. What is the rate of railage they would have to pay in fresh fruit? You very fairly said the bulk of the fruit was grown in the Western Province?—Yes.

11989. As a matter of fact, I know a certain portion of the fruit for the Eastern manufacturers is bought in the West. What railway carriage do they pay?—I cannot tell the exact rate, but it would be an agricultural produce rate from Wellington to Port Elizabeth.

11990. Is that the C. rate?—Yes.

11991. That from Cape Colony is £2 a ton, which is roughly 2s. a hundred pounds, so they would have to pay 2s. on the fruit, and, in the case of East London, a little more?—Yes.

11992. Your difference at present in jams is a little over 1s.?—The difference at present in jams is 1s. 1d.

11993. So that, even on that score, to-day the Eastern Province manufacturer is penalised if he buys his fruit in the West?—No, because in this 1s. 1d. we have to take our tins into consideration and the weight of our cases. The weight of the cases and tins on a hundred pounds is, roughly, one-third. We are therefore penalised on the manufactured article, as against Port Elizabeth, of 5d. a dozen.

11994. Does not the manufacturer in the East have to pay the same rate of carriage on the cases for his fruit? The fruit goes in cases?—The fruit must be sent round in casks—in bulk.

11995. He would have to pay on the gross weight, too?—Yes.

11996. It seems to me the thing works out practically the same, unless the buyer in the East can purchase the greater portion of his fruit there. The point is, is it not reasonable and fair that the Eastern manufacturer should have the benefit of the shorter distance?—There is another point which has not been brought out, and that is, in jams the constituent parts of the manufactured article contain a big portion of sugar. We have to pay the rate for the manufactured article, and the manufacturer in the Eastern Province has not to pay the rate on the sugar. There is no sugar in the fruit conveyed from the Western Province.

11997. That is a fair point. Has not the Eastern Province manufacturer a reasonable claim to have his zone of supply?—In the majority of instances perhaps that would be a very fair question to put, but we are in a different position entirely. The industry here has been built up by the aid of the protection of the preferential tariff. If you limit our sphere of operations now we shall be compelled to close down, because the greater portion of our trade is found beyond our zone. The best market for jams for a number of years has been Kimberley. Taking that away from us, it would fall into the hands of the Port Elizabeth and East London manufacturers, and we could not keep our hands employed and our factories going if we were limited in that way.

11998. As a matter of common fairness, is it not reasonable that the man who is nearer should have the advantage of the railage?—As far as the railway is concerned, certainly. He has that advantage. We cannot get away from the geographical position, but we do think, in common fairness to the industry, seeing that we have been allowed to build up our industry under these conditions, that they should be allowed to remain.

11999. But, under ordinary circumstances, you think the shorter distance should have the lower rate?—Under different conditions of manufacture and different conditions of starting the industry. Another point is that, if you do in any way handicap the industry in the Western Province, you are also handicapping the fruit cultivating industry, and if the fruit industry languished, that would in itself be a very grievous blow to the agricultural community—to the people employed and the capital invested.

12000. What loss occurred in the West would probably encourage the industry in other parts of the Colony?—I do not think so, because climatic conditions are different there. They may only have a crop once in seven years.

12001. If this differential railway rate were done away with, would it in any way have the effect of increasing the import of oversea jams? I see your point. You have put it perfectly fairly in regard to your own sphere in the Western Province, and I ask if the differential railway rate were removed, would it, in your opinion, increase the import of oversea jams?—That would depend upon whether the manufacturers would be capable of supplying the requirements of the country under the altered conditions. If they were not able to supply the requirements, naturally imported jams would come into the country.

12002. To-day they are buying fruit in the Western Province. The fruit would be procurable from the centre nearer the market?—Not necessarily. You would have the same thing applying as with canned tomatoes. That industry has practically been done away with, on account of the manufacturers being unable to purchase the supplies from the growers, on account of the duty which has been imposed.

12003. If the railway preference is removed, will it mean that in place of your manufacturing the goods in the Western Province, articles from oversea will have to be imported? Does it mean the business will go oversea?—The probability is that it would go to the manufacturers at the other centres.

12004. As far as Port Elizabeth is concerned, on a matter of freight, they are practically in the same position for the raw material they import, but as far as East London is concerned, are they at a disadvantage with Port Elizabeth and Cape Town with regard to the freight?—I have not looked into it, but if they are at a disadvantage it would be very little, seeing that Port Elizabeth and Cape Town are on the same footing.

12005. The difference in freight to East London is something like 7s. a ton? —Then there are no jam manufacturers established at the present time at East London. There was one company recently, but I understand it is practically in liquidation.

12006. With regard to confectionery, is not your claim exactly the same?—Also, but not to the same extent as it would be on jams, because even if the rate were increased as we are paying a higher rate on confectionery now the difference would not be so much with confectionery as with jams.

12007. As far as the imported materials required for the manufacture of confectionery are concerned, the East London manufacturer has to pay a higher rate of freight than you?—Very small indeed—infinitesimal. Then, I believe the East London manufacturer, and I believe also Port Elizabeth—I cannot say this from first evidence, but I think I am fairly correct—are able to draw some supplies from Natal in the way of sugar.

12008. That is not so. The coast ports do not use Natal sugar, but the inland manufacturers do?—A good deal of the sugar is also drawn from Mauritius, and is carried to East London and Port Elizabeth for considerably less than to Cape Town. The bulk of the sugar used in preserving jams is drawn from Mauritius, and also a good deal of it is used in confectionery.

12009. As far as Port Elizabeth and East London are concerned, the rate is the same. You might ascertain the facts regarding Cape Town?—I will be very pleased to do it. (Difference in favour of East London is 3s. per ton.)

12010. Is Dutch crushed sugar a raw product?—I believe so.

12011. Cannot it be used in the ordinary course as sugar?—It comes in in irregular lumps, and we have to put it through our grinding machine before we can use it.

12012. The point is if that sugar were specially treated in the way of a duty—if a special duty were made in favour of Dutch crushed sugar—it would mean that would enter the market as an ordinary article of commerce?—No, because it is only used for manufacturing purposes.

12013. Cannot it be used in the ordinary way?—I have never seen any Dutch crushed sugar which could be used as an ordinary article of commerce in the usual way.

12014. I understand it could be used as an ordinary article?—I put it to you that it comes out in big, irregular lumps. Whether any other Dutch crushed comes out broken in smaller pieces I do not know.

12015. If there is a difference in favour of all Dutch crushed sugar it will be very difficult for the Customs to differentiate?—We only ask that the sugar should continue to be treated as it has been—at 3s. 6d.

12016. You want it to come in as unrefined sugar, as against refined?—Refined sugar pays 3s. 6d. We want it put on the same basis as cane or granulated sugar; we do not want a preference granted us.

12017. They must be charging it as loaf sugar—5s.?—Yes, that is what they are doing.

12018. You would be perfectly satisfied with a duty of 1d. a pound on tomatoes?—Yes.

12019. You made a mistake in saying the duty is 10 per cent. It is 15 per cent. and 12 per cent.?—That must be an error on my part.

12020. Do you press the point with regard to this better class confectionery—I think you call it French confectionery—in which you point out that the packages practically pay no duty?—We do.

12021. You think the clause should be inserted which you now suggest?—Yes. If that were done we should be put on an equitable basis with the imported package, which escapes the duty owing to the duty being reckoned on the contents of the package.

12022. Will you explain how you get the rate of 30 per cent.?—The basis on which we worked that out was that we pay 15 per cent. duty on our shooks at the present time, and on labels the duty is 25 per cent. That is practically 40 per cent. on two articles of raw material. Of course I am simply giving you the duties on our raw material if it should be imported; I do not say we import and shall import.

12023. To enable you to answer me more shortly, what is the average cost of these French confections on the other side; in other words, what percentage would 2½d. be on the basis of the value? You are asking for 30 per cent. and already the duty is 2½d. on French sweets?—About 70s. per cwt.

12024. What would 2½d. a pound on that be?—It is roughly a third—7½d. per pound.

12025. It is already 33⅓ per cent., and you ask for 30 per cent.?—We cannot do that class of stuff at the present time in the country. It comes mostly in one and two-pound packages.

12026. But the present duty of 2½d. a pound, on your own showing, is more than you are now asking shall be put on?—There is ¼d. rebate to British manufacturers, and the majority of these goods are drawn from Britain. The difference is 62s. 6d.

12027. You have worked it out that the 30 per cent. will be a little more in your favour than the 2½d. a pound?—Than 2½d. rebated to 2¼d.

12028. There is a matter here you touch upon, and that is with regard to fruit pulps. You suggest that fruit pulps, such as raspberry, red and black currant, and English gooseberry, not at present grown in this country, should be allowed in duty free until such time as the same can be grown locally, as there is a large demand for these jams. You ask that the duty on this fruit pulp shall be taken away?—Speaking on behalf of our industry specially, and Messrs. J. and A. Buchanan—who have given authority—we do not ask that. I may mention that raspberries are being grown in this country. It is true they are in their infancy, but at Stellenbosch we have an acre under cultivation, doing very well, and we expect in the next couple of years we shall be able to produce fair quantities of raspberries. They are also being grown in a garden in Wynberg, which shows that with ordinary care, where water is procurable, there should be no difficulty. Raspberries were also sold in the Cape Town market two weeks ago for the first time.

12029. As far as you and Messrs. Buchanan are concerned, you do not ask for this. Do you press the point, Mr. Luckes?—*Mr. Luckes.*] The reason for suggesting this is that there is a fairly large demand for this class of jams, and we consider that by removing this duty it would enable the manufacturers here to supply that demand. I do not think for a moment it will interfere with the present fruit growers.

12030. The object of protecting jams, I take it, was essentially in order that the Colonial-grown article should be used, and therefore I ask if you press that special point?—Yes, I would press it, because, as I say, there is a demand for it, and always will be.

12031. Is it absolutely necessary for your business that you shall make these jams?—No.

12032. You can get along without?—Yes.

12033. It has been pointed out to us that it is required in order to make up assortments, so as to make them similar to other assortments?—Naturally it improves the assortment, but it is not absolutely essential.

12034. With regard to the exporty duty—clause 3 of Messrs. Gerald and Co.'s statement—you ask for a bounty of 1d. to be given on all preserves, komfyts, etc., sent oversea. Will you tell us what amount of sugar goes into a pound of those komfyts?—It is rather hard to say; they vary.

12035. Is it not pound for pound as a rule?—50 per cent. usually.

12036. So there would practically be a pound of sugar to every pound of other material?—Yes.

12037. The duty on sugar is?—3s. 6d.

12038. That is two-thirds of a penny per pound, and you ask for a bounty of 1d. per pound. Do you not think that is a little bit unreasonable?—You lose sight of the fact that to enable us to compete with the Home market we have to take it Home.

12039. I will put it this way. Do not you think it would be a fair and perhaps more reasonable request to make to the Governments of the various Colonies that you shall get refunded the actual amount of duty paid on the sugar in those jams?—We do not suggest that, because it would raise a lot of questions as to the actual amount of sugar in these jams.

12040. I can see you prefer the 1d. a pound, but I try to get you to ask something more reasonable. Would not ¼d. a pound meet the matter better?—No; ½d. might.

12041. You would not be satisfied to have a rebate—a "drawback," as the Americans term it—of the amount of duty paid on the sugar in those jams?—I do not consider that would help us.

12042. *Mr. Harlow.*] You mentioned the cultivation of tomatoes. Is it not a fact that last year the supply of tomatoes was over the demand?—*Mr. Bevan.*] No. We were not able to get our requirements in tomatoes.

12043. I suppose you tried to get them?—Certainly; we did all we possibly could.

12044. You know there is a great amount being grown this season?—We have not had any information on that point yet.

12045. Have you in any way approached any of the growers to supply your demands?—Immediately they are in a position to supply they will approach us.

12046. Are you aware it is the custom in the fruit-growing districts to give an order for a certain supply which you will require?—We have never found it necessary to do so.

12047. Is not that the reason you have had to stop?—No, because the party who used to supply us cannot do it now. That is right through the Kuil's River district. Immediately he can he will let us know.

12048. Would you be surprised to hear some of the growers are growing considerable amounts this year?—We would be very pleased to hear it, and to come into contact with them.

12049. Do you import any labels from oversea?—We use Colonial labels to a great extent.

12050. Because of the last Customs Tariff?—The printers have laid down plant and machinery with which they can supply our requirements, whereas formerly they could not.

12051. You can get them equal to what you can import?—For some goods, though not the finest labels, but I have no doubt we shall be able to do it in time as they get more skilled in the work and train the Colonial labour here.

12052. Do you mind telling the Commission the amount of labour you employ in your three factories?—I should say, roughly, 750 hands.

12053. In the three factories you three represent?—Yes.

12054. What class of labour is it?—The majority would be Colonial labour. I do not suppose there is 1 per cent. imported labour.

12055. Coloured or white?—Drawn from the best coloured class, and also white labour, if we can get it. As you know, there is not much European labour to be obtained, and we have to depend a great deal on coloured labour.

12056. That does not agree with the statement in other trades. Supposing you had the whole demand for the supply of confectionery, do you think you and the other manufacturers in the Colony could supply the whole of the Colony's demand?—Without any difficulty.

12057. I suppose you know what the imports are?—Yes.

12058. In reference to these pulps, you say you are growing those fruits here?—I said we are growing raspberries here.

12059. And currants?—Yes.

12060. And also the gooseberry?—English gooseberries, to my knowledge, are not grown here, although I believe they are growing in the Beaufort West district, at a place called Dunedin, but that is very far from where the industry is established, and then I believe it is only in a small way.

12061. Do you think the raspberry could be grown in the Western Province to any extent?—Without any difficulty, providing care was utilised and with knowledge of the fruit. There should be no difficulty in growing raspberries.

12062. If a fair amount of work was put into it they could be grown with success?—Yes.

12063. It is not a difficult fruit to grow?—No.

12064. Do you get your tins locally?—We make our own tins.

12065. Do you use any of these tins that are printed on?—The enamelled tins?

12066. Yes?—No. All the tins used in our factory are made by ourselves.

12067. So you really have no difficulty in getting supplies for making your jams, etc.?—No.

12068. I just wished to raise the point which Mr. Kayser mentioned in reference to the present duty on jams and so forth. You say 2½d. per pound or 30 per cent.?—We do not ask that on jams; that is on high-class confectionery.

12069. What does the present duty of 2½d. per pound amount to per cent.?—It is 2½d. really. Roughly, it is 33⅓ per cent. In reference to that matter, I would like to establish a further point, and that is the better the outside packing in which the confectionery is contained, the less confectionery there is in the package.

12070. Can you suggest any means whereby the packages the goods are in could be made dutiable coming into the Colony?—They are dutiable now.

12071. That is if they come without the goods?—Coming in as fancy goods they are dutiable.

12072. But not on the ordinary printed package?—No.

12073. So really you are working at a disadvantage?—Yes.

12074. If you imported them you would have to pay 2d. a pound?—If we imported fancy packages we should not pay that: we should pay 25 per cent.

12075. You are still at a disadvantage with the printing material coming in?—Yes.

12076. Do you think the duty you ask for would cover that?—We have only asked for it to enable us to commence manufacturing and putting up the high-class confectionery. The higher class the package the less sweets it contains. The 30 per cent. would be on the *ad valorem* rate. There are certain packages we would not be able to make here for some years, but one should be able to go on with a fair number of the packages coming into the country at present.

12077. Have you any objection to the Commission looking over your works?—We should be very pleased to show them.

12078. *Mr. Pyott.*] You say you cannot get sufficient tomatoes for canning?—Yes.

12079. If there was bigger protection you would get sufficient?—Yes.

12080. The farmers have stopped growing, because there is no demand?—Yes.

12081. And you think with the duty you suggest, the farmers will again grow them?—I am confident they will.

12082. Mr. Shepherd suggested 1d. per pound would cover it?—We are quite agreeable to fall in with him.

12083. We have had a suggestion, I may tell you, not from the jam manufacturers, but from the farmers, that the duty on jams should be increased. I would like to hear what you have to say on that point. Will it increase the consumption in the country?—I do not think it would assist the consumption in the country of fruits which are already produced, because it is only exceptional lines which are not grown here, and which are at present coming into this country, which are in demand.

12084. And people will pay the price to get these fruits they have been accustomed to?—Yes.

12085. You are not in favour of increasing the duty on jams?—We are satisfied as it is.

12086. If the preferential railway rates are done away with, will you require the extra duty?—We do not consider any compensating duty at the coast could assist us if the preferential railway rates were taken away.

12087. I take it you say you are not in favour of bringing in pulp duty free?—We are not.

12088. With reference to that point, Mr. Luckes, do you still press it?—*Mr. Luckes.*] Yes.

12089. Do not you think, if we get in this pulp, we will do away with the market for some of the Colonial fruit?—I do not think so.

12090. Why? You have a customer here who will perhaps take a tin of something else produced in the country if he cannot get raspberries?—No; he will have it at any cost if he wants it.

12091. Would you not be prepared to pay a small duty on the pulp?—Yes. Make it an *ad valorem* rate of, say, 15 per cent., just merely to supply the demand that is here.

12092. You are not afraid that it will practically oust the Colonial jams?—Not in the least.

12093. What special point will you as a manufacturer gain?—The manufacturers here will make the jams, and so benefit that their output will be increased, and their employees will constantly be increased.

12094. Is not your point to get a larger assortment, or an assortment equal to the Australian or English?—Not necessarily. I would like to say with regard to the growth of raspberries and those fruits, that I saw some gooseberries growing a week ago. The bush had been growing for five years, and this was the first year it has been bearing, and it had four on.

12005. With regard to that 30 per cent. or 2½d. a pound, whichever should be the greater, a suggestion has been made to me: if fancy goods like high-class French confectionery and chocolates were charged at gross weight, would not that meet the case?—*Mr. Bevan.*] I do not consider that would, because the duty being charged on the gross weight of a box would not, I think, compensate for the label, which is often of a very high-class nature indeed, and the package, which is also a very high-class package.

12096. You do not think it would be a fair way of doing it?—No. The weight of a box costing 2s. at Home would be half a pound. That is the tare.

12097. And the contents?—They might be anything from half a pound upwards, or perhaps half a pound only.

12098. You, as practical men, do not like the suggestion of charging gross weight—No.

12099. Do you agree, Mr. Bensimon, with what Mr. Bevan and Mr. Buchanan have said on these points?—*Mr. Bensimon.*] No. I think it would be better to charge on the gross value.

Mr. Bevan.] It is on gross value now.

12100. *Mr. Pyott.*] Mr. Bevan says his duty on confectionery covers him up to 66s. 6d., and over and above that would come under the 30 per cent. Would you be satisfied with that?—*Mr. Bensimon.*] Yes.

12101. You mention goods up to 170s. which are imported into Cape Colony now, and they pay 2¼d. English and 2½d. foreign?—Yes.

12102. You are quite satisfied with the suggestion of Messrs. Bevan and Buchanan, which would cover you on that point?—Yes. I did not understand that at first.

12103. You speak of confectionery costing 16s. 8d. per hundred pounds on the other side. Is it possible to get it at that price?—Yes.

12104. What class?—Plain boilings, the same as we sell at 25s. here.

12105. Can you get it at that price?—*Mr. Bevan.*] It is the first time I am aware of it.

Mr. Buchanan.] Some manufacturers in London turn out sweets at 2d. a pound. Mr. Bensimon has reckoned at 100 lbs., whereas English weight is 112 lbs. Sweets are to be bought at 2d. a pound in London, but those people I may say are local manufacturers, and do not do an export trade.

12106. *Mr. Pyott.*] Are you getting all your boxes made in Cape Colony?—*Mr. Bevan.*] No. You are referring to both jams and confectionery wood boxes?

12107. Yes. You are still importing?—We have not imported for some time. At the last Customs Convention we had contracts which we had to go on with. If the article can be obtained in this country it is our intention, whenever we can do so, to place the order here.

12108. Have you any experience of the Colonial box? Is it satisfactory?—*Mr. Luckes.*] We have used it. It is fairly satisfactory, considering the industry is in its infancy. We are paying the same price as for the imported. That is, for large jam cases.

12109. Have you used the Colonial boxes, Mr. Buchanan?—*Mr. Buchanan.*] Yes, a considerable quantity. It is impossible for us to use them for our fine goods.

12110. The fruit-growers say the box-makers in this country can make the large cases, but not the small?—We have not been quoted a price anything like that of the imported article, but in any case I do not know whether the Government here could turn out a small box which would be satisfactory, because we have to be very careful of the aroma of the wood. If they can overcome that we will be quite satisfied, but until they do that we must have the oversea boxes for the better-class confectionery.

12111. *Mr. Scott.*] Can you give me, approximately, the amount of capital in your industries in the Western Province? I suppose it is considerable?—*Mr. Buchanan.*] I can only give you information about our own business.

12112. I only want to point out what effect it will have in your industries if you lose the railway preference?—We would lose a good deal of our up-country business, and on the other hand to do the business that we are doing at the moment—if it were possible for us to do some of it still—we might be forced to ship some of our stuff to the ports for railage.

12113. Is that practicable for the northern trade?—Yes. We would have to do that if the railage were altered at all. We send an enormous quantity of stuff to the Transvaal by rail, and at the present moment that works out the same practically as sending it round to Durban for shipment, but if the preferential through rate to Johannesburg is done away with we will have to ship to Durban altogether.

12114. And then we will lose the railway carriage on your goods?—Yes.

Mr. Bevan.] Before this reduction to Kimberley took place, but with the rates ruling into the Orange River Colony, it was cheaper to ship to East London and put on rail there than to pay the difference over the railway, so the Cape Government loses the revenue, and if the preferential railway rate were done away with they would lose the total revenue on all jams and confectionery forwarded to the northern part of South Africa.

12115. That would appear to be a mistake from the railway point of view. Can you tell me if such jams and confectionery are sent North from the Western Province?—*Mr. Bevan.*] Quite two-thirds of the trade is done north of what we call our sphere.

12116. What does it represent in tons?—That is a point I have not gone into. I would not like to give an approximate idea, but it is certainly very large.

12117. Would there be any means of arriving at that, to give some idea of what it would mean?—The best means of obtaining that would be from the Railway Department. They could give you information readily, because I take it they have the statistics compiled.

12118. Are you all agreed on the railway question?—*Mr. Luckes.*] Yes.

12119. Supposing the preferential railway rates are given to the farmers on Cape produce, you think you are entitled to come under the same?—*Mr. Bevan.*] Certainly.

Mr. Luckes.] Perhaps not the same, but a similar preference.

Mr. Bevan.] A proportionate preference should be granted to us, because we utilise the products of the soil also.

12120. *Mr. Scott.*] A point was made, I think, that the bulk of the fruit grew in the Western Province, but now has not the jam manufacturer in the Eastern Province a like advantage for his fruit grown in the East?—*Mr. Bevan.*] Certainly.

12121. Do they get much fruit from the Western Province?—I believe a fair amount of their requirements is drawn from the Western Province.

12122. Do you also draw from the Eastern Province.—No.

12123. So you have an advantage with the fruit here?—I was going to supplement my remark by saying that, as far as we are personally concerned, the only fruit we draw from the Eastern Province is the pineapple, which is not grown round here, and Mr. Buchanan reminds me also of Cape gooseberries, which are more prolific round the Eastern Province than in the Western Province, but all the other fruits are practically indigenous to this part of the country.

12124. You are at a disadvantage in regard to the geographical conditions of the Cape Peninsula as regards Kimberley?—Yes, but, as I said before, we have been allowed to establish our industries under the preferential railway rate. We are always handicapped by the geographical position.

12125. Coming to bounties, you mention here that if a bounty is given to any of the neighbouring Colonies to produce jams or confectionery you should have a countervailing bounty?—Yes.

12126. Are you in favour of bounties?—If the restrictions under which our business is at present rather constrained are continued, we should have some royalty granted us by the Government of this Colony in competition with goods coming into the Colony from the Orange River Colony, which is the Colony giving preference in regard to bounties.

12127. Are you affected in the Western Province by the bounty-fed industries?—Very severely indeed. Before the bounties were given in the Orange River Colony, the manufacturers round here had already acquired considerable interests in the business there, but as soon as the bounties were introduced, the business, naturally, went into the hands of the local factories established in the Orange River Colony, and not only are they enabled to do business in their own country, but they are capturing our Northern markets. As far as Kimberley is concerned, in regard to confectionery, it is quite impossible for Port Elizabeth manufacturers, or the manufacturers established here, to compete with the manufacturers in the Orange River Colony.

12128. So you mean to contend that bounties are unfair competition?—Yes, entirely so.

12129. *Mr. Kayser.*] You object to this bounty in the Orange River Colony, but more on the score that you are not able to get a share of the Orange River Colony business?—More on the score that they are enabled to compete in our markets as well.

12130. Which is the more important to you—the Orange River Colony business or the business they are taking away from you?—It is not the business they have taken from us, but what they are likely to do in the future, because until recently we did not feel it.

12131. Would you suggest that the Cape Government should make a surcharge on goods coming into the Colony to the extent of the bonus?—We have to choose the lesser of two evils. That would depend upon whether the Orange River Colony did not consider they should put an additional surcharge on goods of ours going into their Colony. Provided no further surcharge is put on by the Orange River Colony, we do approve of a surcharge by this Government. I am not prepared to say what they would do, seeing the action they have taken.

12132. I do not think it would be possible for them to put a surcharge?—In that case, certainly.

12133. It is perfectly reasonable to ask the Government to put a surcharge of 1d. a pound, and you would be satisfied if the Government did that, and you recommend that?—Yes.

12134. As far as the business in their territory is concerned, you are quite prepared to compete?—We must do so.

12135. You said you could not use the locally manufactured boxes for loose goods?—*Mr. Buchanan.*] I mentioned that. I said we have not used any for our good class of confectionery up to the present, although for all other classes we have used locally made boxes. I only put it forth as a necessary requirement of ours that the boxes we use for fine class goods must be absolutely free from any wood aroma. It is only the smell we object to. The make and finish of the boxes I cannot speak of, because I am only told by the box-makers that they are putting down plant to make a well finished small box. I am prepared to say they could make as good a box here as at Home. The question is the smell of the wood.

12136. We know the manufacturers have used red deal, and are now importing the white deal, which they are using on the other side?—*Mr. Bevan.*] The smell would be the only objection we should have.

12137. *Mr. Pyott.*] What is the rate of confectionery from Cape Town to Johannesburg? What is the difference between the Colonial and the imported to Johannesburg?—*Mr. Bevan.*] The through rate on Colonial and imported confectionery from the ports to Johannesburg is practically the same.

Mr. Buchanan.] When I mentioned the through rate to Johannesburg, I was only making the comparison between the shipment of goods to Durban and the through railway rate at the present moment.

12138. It is cheaper to ship to Durban for the Johannesburg market?—*Mr. Buchanan.*] At the present rate we send by rail, but immediately the rate is raised we must ship, for the sake of the saving.

12139. *Chairman.*] Supposing the preferential railway rate to Kimberley were done away with it would not put you at a disadvantage as compared with Port Elizabeth; they would have the higher rate?—*Mr. Bevan.*] I have tried to make that clear in my statement.

12140. What difference would it make?—Assuming the rate now ruling for imported confectionery and jams remains as at present, the difference we should have to pay would be 2s. 7d. on both, whereas the difference we now pay on jams is 1s. 1d., so the increase would be 1s. 6d. on that.

12141. On the question of raw cocoa beans, you know that duty was reduced the last time. What further reduction do you want?—*Mr. Buchanan.*] It is entirely used for chocolate making. It is 1d. now. I threw it out as a suggestion, because it is only used for the manufacture of chocolates, and is not produced in this country.

12142. What is the cost of it?—Cocoa at the present moment is very expensive. It stands 100 cent. more than last year—say, average price 110s. per cwt. The duty at the present moment is not much. I would rather leave it entirely to the Government what the duty should be.

12143. Say ½d.?—That would meet my views entirely.

12144. *Mr. Pyott.*] If you get the reduction on these cocoa beans, the chocolate will be made in this country?—Yes.

12145. Are you satisfied, Mr. Bensimon?—*Mr. Bensimon.*] Yes.

12146. *Mr. Kayser.*] What class of labels do you have to import from Home?—*Mr. Bevan.*] Embossed labels. Varnished labels are being varnished here.

Mr. Buchanan.] Varnished pictures would have to be imported.

12147. *Mr. Scott.*] Could that label be made here?—*Mr. Bevan.*] Not at present; they have no machinery.

12148. Could you make any suggestion about the duty on the embossed label?—*Mr. Buchanan.*] We prefer to leave that, because we would take away all the revenue if we took everything in hand.

Robert William Hickson, Confectioner, examined, made the following statement:

"A. *Glucose* is largely used for adulterating and cheapening Jams and Confectionery and its excessive use is highly detrimental to the reputation of Colonial Goods. If a duty of 5s. per 100 lbs. was put on Glucose bringing it up to about Sugar price. Manufacturers would use Sugar, thereby increasing the Customs Revenue and probably the health of the consumer.

B. All Colonial Jam Manufacturers should be compelled to put their name or Trade Mark on each tin of Jam made by them, at present the market is flooded with cheap low grade and nameless jams.

C. All short weight (12 and 14 oz.) Jams imported into the Colony, also rebated jams should pay an additional duty.

D. *Tomatoes.*—Canned in reputed 3 lb. tins are admitted as Vegetables, thousands of cases have been dumped on the Colonial market and every general dealer is stocked throughout the Colony with these American tomatoes. These tomatoes have been sold in Cape Town fom 3s. 10d. to 4s. 5d. per dozen and have absolutely run the Colonial article clean out of its own market. Last month I received an order for Colonial tomatoes and after trying the known makers I failed in securing a single case. I would therefore suggest that Tomatoes, Green Peas and other Vegetables be classed as Canned Fruits or pay a duty of 2d. per lb.

E. *Dutch Crushed Sugar.*—Is used by me in making best Colonial confectionery until very recently I paid 3s. 6d. per 100 lbs. duty. Now the Collector of Customs has thought fit to increase the duty to 5s. per 100 lbs., this is a great drawback to makers of high-class confectionery and is seriously affecting the Trade.

F. *Packet, Gross Goods, Bottled and Tinned Confectionery.*—If an increased duty was on these articles (which are absolute luxuries) it would open a great industrial field for a number of people. I have taken particular notice these last ten days of women and girls seeking work. The number of applicants have ranged from five to twenty-five daily, and their appeals for employment are pitiable, some declared they were starving.

G. *Free Sugar.*—For jams and confectionery, I would press this as the most important point to enable the Colonial manufacturer to hold his own against the imported article and enable him to manipulate Colonial products.

H. Mr. Shepherd, in his evidence before your Tariff Commission, suggested that a rebate of 1d. per lb. be paid by Government if output exceeded 50,000 lbs. This limit, in my opinion, would kill all new enterprise and would simply benefit the large companies and firms.

I. Mr. Rees, in his evidence, I understand, desires a heavy duty on tin plates. If it applies to the jam and confectionery trade it would seriously affect it, simply because all the leading makers have up-to-date tin-making plants and make their own tins. I quite agree to ready-made tins being taxed, but not the raw material.

J. I have been engaged in the confectionery business for the past 23 years. During this period I have turned out apprentices into first-class workmen. I have likewise trained my sons in all

branches of the trade, and now I regret saying that owing to the trade being in such a deplorable condition they have to seek a living elsewhere. All that I have made during this 23 years' of uphill work, I have invested in plant and machinery, and unless something is done for the Colonial manufacturer, I may live to see the result of 23 years' hard work broken up into old scrap iron."

12149. *Chairman.*] Have you anything to add to your statement?—No.

12150. *Mr. Pyott.*] The first suggestion you make is to increase the duty on glucose?—Yes.

12151. You think this would be an improvement to the consumers?—It would be no detriment. It would be an improvement to Colonial industries; you would make pure goods.

12152. You want to stop the use of glucose in jams?—As an adulterant in jams and confectionery.

12153. You think it would be no detriment to the honest manufacturer to have this put on?—Not in the least.

12154. Your second point is that all Colonial jams should bear the name of the maker or a known brand. Have you any reason for this?—Because the market is flooded with cheap jams put down as Colonial. I cannot make jam to compete with them at the present time. They are Colonial, but have no name on—they are such rubbish that the makers would be ashamed to put their names on, I suppose. I am referring to no particular firms; there are several brands, and I cannot say who the firms are.

12155. Can you suggest any way of effecting this except by legislation?—Only by legislation.

12156. Compelling them to brand the jams?—Yes.

12157. As regards short-weight jams?—There have been a lot of Australian jams put on the market at 12 and 14 ounces and sold as one-pound tins, and the bulk of the public here can neither read nor write, and are deceived.

12158. Do you think they do not know the difference between 12 and 16 ounces? —Yes. The shape of the tin deceives the people.

12159. I suppose you are aware these jams pay the full duty on 16 ounces through the Customs?—I would claim an additional duty above that—to stop it altogether. It is dishonesty.

12160. I suppose one point you would like to bring out in reference to this is that if these jams are sold at 12 and 14 ounces they should be stamped as being of that weight?—Yes—stamped on the tin or label.

12161. You know we could not refuse to allow a 12-oz. tin of jam to come in?—You are allowing the public to be swindled. I notice the Colonial people are now going in for short-weight jams; they are forced to do it.

12162. Is your suggestion 2d. per pound on tomatoes?—Yes.

12163. And green peas and vegetables as well?—I would include the lot.

12164. A three-pound tin of tomatoes would pay 6d. coming in?—Yes.

12165. Practically 100 per cent. on to-day's price?—Yes.

12166. We have had a suggestion before us that tomatoes should pay a higher duty than they are doing, but that they think 1d. a pound would be sufficient for the Colonial manufacturer. Would you be satisfied?—No. I would go in for 2d. a pound, and shut them out altogether. We can grow tomatoes here. I would accept 1d. rather than nothing.

12167. With regard to the Dutch crushed sugar, do you think it is necessary to follow this suggestion?—No. We make our best goods out of this. There is some mistake on the part of the Collector of Customs. He admitted the sugar at 3s. 6d. in the first instance. I do not know why he altered it.

12168. You would like it to come in at the rate of granulated sugar?—Yes.

12169. And not to interfere with cube sugar?—No. That is a luxury.

12170. With regard to your next point: packed gross goods, bottled and tinned confectionery, 2½d. a pound or 30 per cent., whichever was the greater, was suggested, and that will protect you when you come to confectionery at 62s. 6d. per hundred pounds at the other side. It will protect you against chocolate manufacturers. Will you be satisfied with that?—Yes.

12171. That would cover the whole thing?—Yes.

12172. You want a rebate on the sugar on jams and confectionery?—Yes.

12173. Do you press this?—Yes. Give us free sugar. Place us on the same basis as the Britishers.

12174. Do you know the Britishers pay a higher duty on sugar than you?—They have not the freights and high wages we have.

12175. I think, putting the freight and duty on sugar out here together, it is exactly what the English manufacturer pays for his sugar?—I should absolutely stick for free sugar.

12176. Will this mean a reduction in the prices of jams?—No. Jams are sold under cost price at present.

12177. What is the comparison in the prices of Colonial and English jam?—I could not say. I ask 4s. 3d. for a dozen one-pound tins, and 8s. for two-pound tins.

12178. With discount?—I only give 5 per cent., or 7s. 6d. nett cash.

12179. Have you any idea what the two-pound tin of jam costs imported?—No; I have not gone into it.

12180. What is your point in pressing for free sugar if the consumer will not get the benefit?—I have only considered the benefit to my business.

12181. Mr. Shepherd, who also brought forward this point, pointed out that the consumer would get the benefit?—He would not, because jams are made under cost price at present. I make very little out of jams at 8s. a dozen.

12182. You suffer from internal competition?—Yes.

12183. Over production?—Yes, and the big military stocks we have had dumped against us.

12184. You have never recovered from that?—No.

12185. They are still being sold to-day?—Yes, and a lot of other cheap stuff.

12186. You take exception to Mr. Shepherd's recommendation of 1d. a pound rebate on jams over and above fifty thousand pounds?—Yes.

12187. You think this would debar the little man?—This year I am not buying fruit for jams; I am using pulp. I cannot come under that fifty thousand pounds, and it would be hard lines for me to be thrown out of the business.

12188. His suggestion was that if the bounties now given in the Orange River Colony on jams could not be done away with our own Government should do something to protect our own manufactures?—Yes.

12189. He only recommends this in the case of the Orange River Colony still continuing to pay these bounties?—Yes.

12190. I see you take exception to the suggestion of Mr. Rees regarding tin plates. His suggestion was that tin plates should come in free?—I have read his evidence before the Manufacturers' Association and before you gentlemen, and am rather suspicious he includes tin plates. I have a tin plant, and so have other manufacturers, and I do not want that interfered with.

12191. He did not suggest any duty on tin plates?—I understood it so.

12192. He asked us to put a duty on stamped tin?—We do get printed tin out. I object to the plain tin we make jam and sweet tins out of. I get them out in sheets and stamp them out—already printed in some cases.

12193. The confectionery business is in a bad state at present?—Very.

12194. That is accounted for by the depression?—Competition and depression, and these things being dumped against us, and I do not think we get sufficient protection from the Government.

12195. You have no suggestion about increasing the duty?—No.

12196. You are satisfied with the present duty?—If it is not altered.

12197. You think as you have been in this business all your life and trained your sons to it, something should be done?—Yes. I have devoted the best of my life to the business.

12198. Are you getting your packing cases made here?—I have a small stock. I shall order no more except from here.

12199. Are they as satisfactory and as cheap as you can import at, with the 15 per cent. duty on?—Yes, they are satisfactory.

12200. You take no exception to the 15 per cent.?—No.

12201. Do you get the printing done here?—Yes.

12202. Is it satisfactory?—The workmanship is not up to the mark, but it will improve in time.

12203. You are quite prepared that the printers shall enjoy the protection of 25 per cent.?—Yes.

12204. *Mr. Tod.*] In regard to the short-weight jams, does that apply to the Colonial as well as the imported?—I would allow no one to make short-weight jams.

12205. Has it come under your knowledge that Colonial jams are being sold short-weight?—My remarks apply to the imported jams. I think they are adopting the same thing here.

12206. Are you benefited by the preferential railway rates?—Not much. My business is practically confined to the Western Province. I have lost my Orange River Colony trade with the 1d.a pound bounty there.

12207. You may have a fair chance of getting that back again. You are not against doing away with the preferential railway rates?—I think it will kill the industry of the big firms if you do that. Let it stand as at present.

12208. How would you answer the arguments of the inland manufacturer? At present he is charged a higher rate for his raw material. The manufacturer at the coast can send up the finished article at 20 per cent. less carriage than the inland manufacturer can get his raw material for?—As I told you, my business is practically confined to the Western Province and I have not gone into that. I would not like to make a statement on that; it has never interested me.

12209. In reference to the increased duty on Dutch crushed sugar if that were brought back to 3s. 6d. would it suit you?—Yes.

12210. You do not think it should come in duty free?—Not that sugar, but the ordinary granulated sugar—raw material—I should like free.

12211. How would you recompense the revenue if you took the duty off that?—One item I have suggested is glucose. A tremendous amount is imported into the country at present. If you look at the present returns compared with ten years ago you will be surprised.

12212. How many people do you employ?—We are working very low in making jams. I have about 25.

12213. White or coloured?—Principally white—no dark people, but Afrikanders—Colonials.

12214. You think unless you get these suggestions agreed to the industry will die out?—Something will have to be done.

12215. You are practically working at a loss to-day?—Yes, I have been for the last seven years, pretty well.

12216. *Dr. Viljoen.*] Is this glucose used in other factories besides your business?—I have never heard it is used for tickey beer.

12217. Is the glucose the same article or does it belong to the same class as the invert sugar or saccharum?—It is a similar class, but a different grade.

12218. You would make this suggested duty applicable not only to glucose but all the classes of invert sugar?—No; I would confine it to what is known as confectioners' glucose—what is liquid. It is not the same as the brewers'.

12219. You do not want a duty put on the invert sugar?—I do not know anything about that; I would not like to interfere in another man's business. I do not know that they really use it; I have only seen it stated in print. I would not like to say they do use it.

12220. I see you suggest a trade mark on the tins?—A mark or the name of the manufacturer.

12221. That is not unreasonable. Do you know what we have to do in the exportation of our fresh fruit from here to England?—No.

12222. I will tell you, so that you will know it is what we are obliged to do on the other side of the water. If I send a box of fruit to England I have to have on it a label with my name and the words "Packed and grown in the Cape Colony," or wherever it comes from. You must do that before landing it in England; and you want a similar thing here—a trade mark of the manufacturer?—Yes.

12223. So that he can be identified?—Yes.

12224. And grown or packed or manufactured in the Cape Colony?—Yes.

12225. You would like this next Convention to be for a definite period?—Yes; we have suffered from the constant changes.

12226. Would you mind telling the Commission what, in your opinion, would be a minimum period?—Nothing under seven years.

12227. Supposing we take the duty off sugar how will it benefit your trade?—We shall make more stuff and employ more labour.

12228. The competition will come in just the same?—We should have more work to fill up the competition.

12229. It is not the tariff which is causing the depression, so how would it benefit you?—I should be able to put perhaps 100 hands on in a short time, and it would benefit the country at large. There are many things we can manufacture in this country that are not made; they could be made if we had a little more protection.

12230. I suppose you are not affected by the cheap class of labour used in Natal?—I am not, personally.

Dynamite Manufacturing.

Kenneth Bingham Quinan (Acting General Manager, Cape Explosives Works), examined.

12231. *Chairman.*] Do you wish to add anything to your statement which you have already put in?—I also want a general *ad valorem* duty imposed on collodion cotton of 10 per cent., for manufacturing purposes in bulk.

12232. That was taken off at the last Customs Conference?—No, at the Bloemfontein Conference in 1903.

12233. *Dr. Viljoen.*] What else is there?—The duty off box shooks and cardboard boxes.

12234. *Chairman.*] You can manufacture collodion cotton, but cannot compete in the Transvaal?—That is one way of putting it. The duty was taken off as the result of representations made at the Maritzburg Conference, I believe, by the Modderfontein factory people. Their contention was that collodion cotton could not be manufactured successfully in South Africa. I would like to correct that statement. We have a plant which cost us £30,000 odd, and we are manufacturing practically all the collodion cotton we use. Last year we imported about 65 tons. That was done for the reason that we were making certain changes in our gun cotton plant, to enable us to make a good gun cotton, and they were not completed, so that I had to import the finished articles from Europe to tide me over; but I do not expect to import any more of it. Last year we manufactured 216 tons of collodion cotton, which is comparable as to quality with any collodion cotton manufactured in the world, bar none, and that is in face of the fact that our friends up-country claim that it is impossible to manufacture it in South Africa. We have a plant representing a large capital outlay, and employing some 30 or 40 whites and natives altogether, for the manufacture of collodion cotton. We have proved that it can be manufactured successfully in the Colony, and it does not seem right that collodion cotton should be imported free from abroad in the face of our success so far as manufacture goes. It could be manufactured with equal ease and readiness up-country. There is another point which I wish to bring before you later in connection with the rates on the collodion cotton. If of English manufacture collodion cotton is imported free. It is an explosive, and a very high explosive. In the wet condition it is fairly safe as far as transport goes, but the fact remains that it is one of the well-known high explosives. Its value is, roughly, twice that of the blasting gelatine into the composition of which it enters. This highly specialised explosive product, costing twice as much as the finished product into which it enters, is admitted free in spite of the fact that we have our factory here; and it is carried at rough goods rate from Delagoa Bay to Johannesburg, just as if it were coal or wood or anything like that, which I claim is anomalous, to say the least. It does not seem fair that that should be the case. Collodion cotton should at least be put into the normal class, and it should certainly pay a duty.

12235. *Mr. Pyott.*] What is the difference in the rates on collodion cotton and dynamite?—I do not know what the rate is on dynamite from Delagoa Bay to Johannesburg off-hand, but I can tell you Collodion cotton, in common with coal, nitrate of soda, sulphur and glycerine, is carried on the Johannesburg-Delagoa Bay line at rough goods rate, which is 45d., and I believe dynamite comes under the normal rate of 84d. per hundred pounds.

12236. *Mr. Kayser.*] And Cape Town to Johannesburg?—Firgrove to Johannesburg 112d., which is a composite rate, being rough goods rate over the C.G.R. portion. According to Mr. Hosken's statement before the Transvaal Commission, they imported no less than 400 tons—that is the metric ton of 2,000 lbs.—for their factory last year. That is collodion cotton. The minimum price for it, delivered at their factory, would be 1s. a pound, say £100 a ton, which means that they imported £40,000 worth of collodion cotton last year, while we manufactured it here. It could have been manufactured in the Union, as we have proved.

12237. *Chairman.*] Is any Colonial product used in the manufacture of collodion cotton?—Only coal.

12238. Everything else is imported?—Yes. There is another point in this connection, while we are on this subject, which is most important. I have worked out here the relative weights of raw materials necessary to produce one case of finished explosives for the two factories. I have only concerned myself with the cardinal raw materials, such as glycerine, nitrate of soda, sulphur and gun-cotton in the case of the Modderfontein factory, and glycerine, nitrate of soda, sulphur and cotton waste in the case of our factory. I take that in our case, because that is the basic raw material from which collodion cotton is produced. To produce one case, of 50 lbs., of blasting gelatine at Modderfontein, they require 149 lbs. of raw materials. To produce one case of the same explosive at our factory we require 170 lbs. of raw materials. The reason is not far to seek. The cotton waste has to be treated with nitric and sulphuric acids in order to convert it into collodion cotton, and we have to transport the additional raw materials to produce these acids which we require in the treatment of the cotton waste. We are therefore in the position in regard to manufacturing collodion cotton of having to transport 21 lbs. more raw materials per case of the manufactured article than our opponents up there, and yet we get absolutely no protection. That is a commodity which should be protected.

12239. *Mr. Tod.*] I suppose when you had the idea of starting this plant for the manufacture of collodion cotton you thought you could do it more cheaply than the imported?—That, and we wanted to be a Colonial industry and self-contained; we did not want to depend on European manufacturers.

12240. Your contention is that yours is a *bona fide* manufacture, employing a considerable amount of labour, and you claim protection?—Yes. Perhaps, as a business man, you will say, why was the gun cotton factory established here. I will tell you why. Our factory is an absolutely independent factory, and has absolutely no connection with any Trusts or Combines whatsoever. If we imported our collodion cotton, which is a very important material in our manufacture, we would be absolutely at the mercy of the European Trusts, who could dictate to us what price we were to pay for it. If we, on the other hand, constructed a factory and made the stuff ourselves, we were free from that yoke round our necks. Therefore it paid us to put down the plant for manufacturing collodion cotton, even if it cost a fraction per ton more than by importing. Any time they had known I was in a hole they could have cut short my supplies, and where should I have been? It was of vital importance that we started the factory. We maintained our integrity at all costs.

12241. Can you give the Commission an idea of the price of dynamite before your factory started?—I can give a general idea of the prices. In the pre-war days the prices ranged from 90s. to 110s., depending on the quantities purchased and other conditions.

12242. Do you know what the protective duty was?—12s. 6d. a case to the best of my recollection. Then we entered the market in September, 1903, and the price was dropped to between 60s. and 70s., and each succeeding year has marked a decrease in the price, until at the present time it has reached an average of 52s. 6d. for Modderfontein explosives, and 49s. 9½d., amounting to about 51s. delivered at the mines, for our own explosives. So the effect of our manufacturing here has been practically to cut the cost of dynamite in half, and that applies throughout the whole of South Africa.

12243. What is the protective duty to-day?—10s. 5d. per case of explosives of German manufacture outside the British possessions—and 8s. 4d. for explosives manufactured in Great Britain. It is 2½d. per pound for German stuff, with a rebate of ½d. for British.

12244. Is there much importation of dynamite going on?—There is a considerable amount of German made explosives in the Transvaal, Nahnsen's and Hamburg stuff principally.

12245. Imported by whom?—To the best of my knowledge that is imported by the manufacturers themselves. That is, Nahnsen & Co. hold contracts for a certain portion of the requirements of the different mines on the Rand, and they supply direct from their factory in Europe. I do not think it is imported at the risk of the factory. Kynochs also import a similar quantity under similar arrangements. They are practically the only two importers worthy of note.

12246. Did you read Mr. Hosken's evidence before the Transvaal Commission?—Yes. I have it before me.

12247. Are there any points you can speak of from the point of view of the Cape Colonial manufacturer?—I may confess there are quite a number which will bear discussion. It is rather a long thing. In the first place, I would like to make a remark or two about our labour market. In this statement which I handed in I point out that we have a total population of works people of 875. Of those I think 39 per cent. are whites, and of that 39 per cent. 49 per cent. are Colonial born, living in our neighbourhood and in the surrounding Peninsula—people with a stake in the country. Those men we have trained at big expense, but our expense has been repaid us now, because they have become very efficient. To those 875 works people we expended in wages last year £105,000 sterling. The Modderfontein Factory employ 360 whites, 1,300 natives and coloured, and expend the same sum annually in wages; and yet one of the things brought up, as a reason for our having achieved some measure of success at our factory, is that we employ cheap coloured labour. On these figures it looks just the reverse: it looks as if we have not cheap coloured labour. We have our factory splendidly organised, and the men are loyal to a degree. Credit is due to them for having worked well and faithfully, and they have been looked after; and I think Mr. Hosken does us an injustice when he accuses us of employing cheap colored labour. Our policy has been to train young Colonial lads in our laboratories as chemists—in order to make them foremen's assistants later on—and in the box-shop and in the machine shop, to be apprenticed as fitters and carpenters. We have them all over the factory, and they are doing excellent work, and I think it is hardly fair of Mr. Hosken when he accuses us of employing cheap labour in face of this. He cannot say we work long hours. The standard week for mechanics and artizans is 48 hours. We pay higher wages to carpenters, bricklayers, fitters and so forth than anywhere in the Peninsula, because when we get a good man we do not want him to leave us again. I think we pay the highest wages of any explosives works in the world, barring none. I say that in opposition to the statement which Mr. Hosken made.

12248. After the figures you have given us, Mr. Hosken's argument about the cheap labour employed by the Cape Colonial Factory will not hold water?—I do not think it could.

12249. You say you have an advantage of 1s. 4d. per case, and you say your rival Transvaal Factory have an advantage to the extent of 2s. 4d. per case. Will you explain that?—I am very glad you made that inquiry. The situation in regard to rates and Customs as far as our factory is concerned is rather peculiar. The country has to have revenue. We realise that, and no one is going to complain as far as we are concerned, but if we are going to pay one rate on our raw material and our rivals up-country pay another rate of practically half what ours is, it is unfair. When we first started this factory down here we inquired from the Cape Government Railways' Rates Expert what the rate on imported finished explosives would be from Cape Town to Johannesburg, and a certain rate was given us—103d. per hundred pounds. At that time raw materials going from Delagoa Bay to Johannesburg were paying at the following rates: Glycerine, 84d. per hundred pounds; nitrate of soda, 50d.; sulphur, 50d.; and gun cotton, 60d. Therefore, at the rate given us by the Rates Expert here and the rates we knew the Modderfontein Factory to be paying, we had a big margin in our favour as against the Transvaal—amounting to some 1s. 4d. a case.

12250. You got it that they had to pay certain rates on the raw materials and you could send up the finished product containing the raw materials?—That was at the rate given us by the Expert—103d.

12251. At that time there was such a rate in force that the raw materials which would go to manufacture a case of dynamite would cost more to take to Johannesburg than would be a case of dynamite?—I am not quite sure whether that would be so. We knew from experience what it cost us to manufacture explosives, very closely. Making allowance for the very high wages obtaining in the Colony, we were able to compute very closely the cost of the finished article, and that cost, plus this rate of 103d. per hundred pounds, showed us that we would be able to sell very much below the prices then obtaining on the Rand.

12252. I do not quite follow you yet. Do you mean to say you were reckoning on cheaper labour here or that it would cost less?—No. I say before the factory was constructed at all we had a certain rate given us for getting the finished explosives up-country. That rate represented a certain number of shillings and pence per case for carriage. We knew what it would cost us, as far as quantities were concerned, for our raw materials to produce the case of explosives, and pretty well what the wages should be per case, and we doubled that to get at the cost in the Colony, and in this way we arrived at the cost per case of the finished explosive delivered at Johannesburg as we hoped to turn it out, and comparing that with the prices then obtaining on the Rand, we had a big margin.

12253. But where did this come in—in regard to your economical working as regards labour or through the railway rates?—It is through both.

12254. I understand since that time the railway rates on these raw materials have been reduced?—Yes.

12255. Therefore it now costs the Transvaal Dynamite Factory less to get the necessary raw materials to make a case of dynamite?—Exactly.

12256. You have not figured it out exactly?—I have that here. I have divided it into several stages. The first stage is the one I have been describing to you, when the raw materials from Delagoa Bay to Johannesburg were: Glycerine, 84d. per hundred pounds; nitrate of soda, 50d.; sulphur, 50d.; and gun cotton, 60d. The finished explosives rate, as per Railway Expert's quotation, from Firgrove to Johannesburg was 103d. per hundred pounds, although no dynamite appears to have been sent through Cape Town. Our raw materials from Cape Town to Firgrove were: Glycerine, 10d. per hundred pounds; nitrate of soda, 10d.; sulphur, 5d.; and cotton waste, 10d. Those were the rates obtaining in the Transvaal and here when we first commenced. Then comes the second stage, after the Bloemfontein Conference in March, 1903, when the rates from Delagoa Bay to Johannesburg were, to all intents and purposes, cut in half: Glycerine, 45d. per hundred pounds; nitrate of soda, 45d.; sulphur, 45d.; and gun cotton, 45d. In other words, the whole lot were put under the rough goods rating, while the rate on finished explosives from Firgrove to Johannesburg was increased to 130d. per hundred pounds. That was a rise of 27d. on the finished product, and the raw materials remained unchanged in our case; we did not get a penny reduction. Then the third stage was after March, 1904, when the rate on finished explosives from Firgrove to Johannesburg was reduced, owing to the C.G.R. agreeing to carry same over their portion of the route at third-class rate, which was to compensate in a measure for the special rates which had been given to the Modderfontein Factory by the C.S.A.R. That left the raw materials from Delagoa Bay to Johannesburg unchanged, the rate on finished explosives from Firgrove to Johannesburg was 112d. per hundred pounds, and raw materials from Cape Town to Firgrove were unchanged. Then came the fourth stage, which was after June, 1904, when the rate on nitrate of soda from Cape Town to Firgrove was reduced, so as to bring it into line with the rate on nitrate of soda from Delagoa Bay to Johannesburg, as reduced after the Bloemfontein Conference. That made a little difference to us. The raw materials from Delagoa Bay to Johannesburg remained unchanged, finished explosives from Firgrove to Johannesburg remained unchanged, but the raw materials from Cape Town to Firgrove were reduced: Glycerine remaining at 10d. per hundred pounds, nitrate of soda reduced to 5d., and sulphur still 5d., and cotton waste 10d. Nitrate of soda was thus placed on the same basis as our rivals—rough goods rate—but glycerine remained in the second-class rate. Then there was the Maritzburg Conference, which did not change the railway rates, and then the opening of the Fourteen Streams Railway. We were led to expect that the rate on our explosives would be reduced in consideration of the shorter distance by the new route, some 50 miles. The rates to stations from Christiana to Langlaagte inclusive have been reduced in accordance with the reduced mileage, but those to other stations to which the distance is less by the new route, such as Kazerne, Germiston and Lenz, have *not* been reduced while the rates to certain stations in the O.R.C. have been *increased.* We have derived no benefit from the opening of the Fourteen Streams Line, although it is 50 miles shorter than the Norval's Pont Line. Our advantage has been lost by the manipulation of the rates. The rates for the rival factory were practically cut in half, and ours have remained as they were. In two cases—glycerine and nitrate of soda—they were very much higher than our rivals were paying.

12257. I suppose it is the case, perhaps with the exception of collodion cotton, that most of the raw materials required by the Modderfontein factory would be classed as rough goods?—That does not follow. The glycerine, which is a very expensive product, is carried in light steel drums, which are very susceptible to damage. It is rated over the Delagoa Bay-Johannesburg line at third class, and over our line at second-class.

12258. You have made a point of the collodion cotton?—Yes, and I am making another point of glycerine. It is a very expensive thing, packed in light steel drums which are very susceptible to damage, and it should not be carried at the rough goods rate, in my opinion. I think the second class rate is the proper rate for it, but if the other people have it carried at the rough goods rate I want the same thing. If they carry it at the rough goods rate from Delagoa Bay to Johannesburg I want the same rate from here to our factory. I pay the second class rate and they pay the third class rough goods rate.

12259. Can you sum up what you consider should be the position in regard to the rates to put your factory in the same position as the Transvaal factory?—Yes. I think that the raw materials for both factories should come under the same classification to start with. I think the collodion cotton should be put in the normal class, for reasons I have already given you—its cost and its explosive nature. In regard to the rate on the finished explosives from Firgrove to Johannesburg, which is really the crux of the whole question, I deny that we now have a preferential rate in the true sense of the word.

12260. As against the imported article?—Yes.

12261. You mean to say you have not a preferential railway rate?—I claim that the rate we have, while it is a preferential railway rate, is not at the same time a preferential railway rate—if I can make the remark—in that before the factory started the rate for finished explosives was quoted at 103d. and then after the Bloemfontein Conference was raised to 130d. and then reduced again to 112d., so that the rate of 112d. we are now paying is 9d. per hundred pounds above the rate obtaining over the C.G.R. to Johannesburg before the factory was started.

12262. How are you rated as against the rate for imported dynamite now?—The rate for imported dynamite now is 123d. per hundred pounds against our rate of 112d., which is a preference of 11d., but if you are going to take away that preference and put us on the same classification as imported dynamite, in common justice you should deprive our rivals of their preference in regard to raw materials.

12263. We take it for granted that whatever position you are put in as regards imported dynamite the Transvaal factory will be put in the same position. Assuming this preferential railway rate is done away with, do you contend that you should have an addition to the duty on the imported explosive?—No; the present duty is sufficient.

12264. But if the preferential railway rate is taken away in regard to your advantage over the imported dynamite?—At present if our Modderfontein rivals are put on the same basis as ourselves in regard to rates they are deprived of the preference in regard to ourselves, and then our two factories, which control the situation in South Africa, with the present import duty can still fight the European manufacturers.

12265. If the Transvaal factory get their raw materials in on a low basis they are not so interested in the preferential railway rate as you are, because they sell their product practically at their door?—But they are interested in the preferential railway rate on raw materials. They get it on the raw materials, and we on the finished article.

12266. They cannot have preference, because none of their raw materials are Colonial?—They get preferential railway rates all the same. As the two factories stand to-day, there is a balance of about 9 9-10d. per case in favour of the Modderfontein factory. I will tell you how that is arrived at—by taking a case of blasting gelatine and working out the cardinal raw materials necessary to produce that case. Assuming them to be the same in both factories, and then taking existing railway rates, and simply working out the total cost for delivering that case at Johannesburg from our factory, and at the same point from the Modderfontein factory, the balance comes out 69·28d. freight costs for the Modderfontein factory as against 79·19d. for our factory, which is a balance in favour of them of 9 9-10d. as it stands to-day. If you take away the preferential rate, and put their raw materials on just the same basis as our raw materials, the situation is as follows: If the Modderfontein factory had to pay railway rates on the same basis as the Cape Explosives Works on glycerine and gun-cotton—that is at the "intermediate" rate instead of the "rough goods" rate—the railage on the raw materials necessary for their factory to produce one case of explosives would be 72·92d. If the Cape Explosives Works, on the other hand, had to pay railway rates on the same basis as the Modderfontein factory—that is to say, glycerine and cotton waste at the third instead of the second class rate—and also if the special rate for finished explosives from Firgrove to the Transvaal were removed, and the normal through port rate were charged, our goods would cost 84·76d.—practically a difference of 1s. While the Modderfontein factory enjoy the preference of 9 9-10d. per case, if you take away the preference in both cases, and put us on exactly the same footing—putting our finished explosives on the same footing as the imported explosives coming through this port, that is 123d. per hundred pounds through port rate, and making the Modderfontein factory pay on their raw materials under the same classification as we pay on our raw materials—then the balance will be changed; instead of their having an advantage of 9 9-10d. per case, their advantage would be, roughly, 1s.

12267. Of course you are bringing in the question of the raw materials of the Modderfontein factory. I would like a stated answer in regard to your position in reference to the imported dynamite only. Are you in favour of the preferential railway rate you at present get as against the imported dynamite, or are you in favour of its being done away with?—As far as we are concerned, as a factory, we do not care one way or the other. No explosives come in through this port; they go to Port Elizabeth. [The witness later submitted an explanation, printed at the end of his evidence, of his answers to this and the two following questions.]

12268. The imported dynamite competes with you, even through another route?—I do not think the preference makes much difference in regard to the imported explosives.

12269. You would not press for an extra duty to be put on to make up for the preferential railway rate?—No: I do not think it is necessary.

12270. You are satisfied with the present duties?—They seem equitable and just.

12271. There is the matter of the duty on boxes?—It seems to me anomalous to say the least. From my experience, I do not consider boxes could be made satisfactorily in this country. I expect we use 50 per cent. of the total number of boxes used in the Cape Colony. We use 300,000 odd a year, and this year I expect it will be close on 350,000.

12272. What value does that represent?—Complete about £18,000.

12273. *Mr. Kayser.*] About 6d. apiece?—Our boxes cost us, landed at the factory, you can take it, an average of about 8d. a box. That is the box itself, bare. It came to £11,278 just for the boxes used in our factory last year.

12274. *Mr. Tod.*] You are such big users of boxes, and you are apparently quite in a position to put down plant for making all you require. Have you ever thought of putting up plant for your boxes?—It is a pretty difficult problem. The boxes we use are very specially made. The lid is $10\frac{5}{8}$ in. wide, the sides $6\frac{1}{2}$ in., and the ends $9\frac{1}{4}$ in. by $6\frac{1}{2}$ in.; in other words, practically all the timber necessary to produce our boxes has to be cut from big pieces of wood—pieces from which deals could probably be cut—and therefore the timber necessary for making our box shooks is very expensive, in that it is capable of being manufactured into marketable deals and so forth. If we import our timber in the piece, and try to cut it here, and stand the cutting loss, and fabricate that into a finished box with our high labour, we cannot compete with the European manufacturer, for the reason that in making our particular box they use all sorts of scraps because they are made at the huge timber factories in the Baltic. They use scraps, but we would have to import big timber and cut it up. We came to the conclusion, as far as imported timber was concerned, that it was out of the question. We have investigated the situation at Knysna, with a view of using yellow-wood, but the cost of transport was absolutely out of the question. We then considered the question of growing poplar trees, but we virtually gave up that idea. We expect to plant a great many wattle trees, for the manufacture of wood pulp. We are laying down plant for manufacturing wood pulp; we are indenting for it.

12275. You do not consider you can have your boxes made in the Colony, even with the protective duty of 15 per cent.?—I do not think it can be done. I am sure we can manufacture them as cheaply as any manufacturer in Cape Colony if there is anything in it, but we have come to the conclusion that there is nothing in it for us. We would not lose an opportunity of saving a hundredth part of a penny in the cost.

12276. You desire that the 15 per cent. shall be taken off?—I think so, unless you are forced to retain it for purposes of revenue.

12277. Apart from the question of protecting the industry we get revenue?—It strikes me as anomalous, which is why I bring it up.

12278. On the grounds of revenue you do not object?—No; I object on the score of protection. I do not think it is an efficient duty as a protective duty, but as far as revenue goes I suppose that cannot be objected to. Strawboard for boxes the printers get free, and we have to pay 15 per cent., which does not seem quite fair. I am quite sure this duty is not imposed as a protective duty, because the manufacture of cardboard boxes simply consists of folding up a piece of cardboard and stitching it with a special stitching machine, and it is absurd to honour that with the name of manufacture. We went to the length of getting quotations and specifications from England for erecting a plant, when the question came up of making them ourselves, and we found there was no comparison between importing the finished article with the duty to pay on it and trying to manufacture it here.

12279. A plant we saw was making cardboard packages for candles?—It is simply a stitching operation.

12280. The principle would be the same for making any cardboard boxes?—Yes. It is very simple. Unless the duty is imposed purely for revenue purposes, I think it should be removed, because it seems to me unfair that the printer should be allowed to import strawboard for his work free and we should have to pay 15 per cent. It is an anomaly to say the least. Then the printer gets his seaming twine free and we have to pay 15 per cent. It is virtually the same twine. I do not object to the 15 per cent. duty on it, but I do object to differentiating between the two industries. Then we come to wrappings. If the printer imports these in the original package from English sources to be printed in his works, he gets them free, because the 3 per cent. is rebated to him. We import the papers for our printing works—we have a big printing plant—and we print them. In some cases we work them up into little capsules, and also cut into curious shapes for wrapping cartridges and then for lining cases, and we have to pay 15 per cent. Why differentiate? I contend I am manufacturing that paper in the same way as the printer is. Another point I want to bring out is why we call this cartridge paper. It is absolutely different to the cartridge paper of commerce. We call it cartridge paper because it is printed in the first place and then folded round to make little cylinders in which dynamite is packed. We call it cartridge papers because it is used for making cartridge cases. It is a highly specialised product made for our particular work. After the dynamite is packed in it it is water-proofed with paraffin wax. It is not cartridge paper in any sense of the word. It is rough paper. But it is very carefully manufactured, free from acid and so forth. I claim it is not right that we should pay 15 per cent. and the printer imports it practically free from England. The manipulations and treatment the paper receive are the same in both cases.

12281. Is the binding twine you use identical with the twine of the farmers for reaping?—Practically the same.

12282. Do you want the duty off that?—Unless it is put on for revenue purposes. I say what is sauce for the goose is sauce for the gander. If you let the printer import paper and call it tweedle-dum, and pay no duty, I want to call it tweedle-dum too. I say we subject it to the same treatment as the printer and it is only just we should get it at the same rating.

12283. Fire bricks and fire tiles?—As regards those, we pay 25 per cent. Our brick is of a very special nature. The fire bricks are often subjected to extremely severe wear and tear in the shape of acids and intense heat, and I have yet to see the Colonial fire brick worthy of the name. We import our fire bricks, and they are only procurable from one or two points in the world. They are unobtainable in South Africa to-day. If that 25 per cent. is put on for protection it does not seem fair, because they are not procurable here. We should use them if they were. All our building bricks are Colonial.

12284. It would be hard to differentiate between a specialised product and what is not, if it is necessary to have a protective duty for fire bricks generally?—That should stand then, because it is the most good to the most people. If it is necessary for the protection of the brick and tile industry in the Colony we are satisfied.

12285. I understand your argument with regard to the other things is that they cannot be defended from a protective point of view because there is no chance of the things being made here, but for revenue purposes you are quite prepared to agree to what is necessary?—Yes, but I do ask that we get them put on the same basis as the printer. The printers' industry is fairly well protected.

12286. *Mr. Pyott.*] Do you mean to tell us you pay duty on paper coming through the Customs exactly the same as is used by printers and that they do not pay it?—That is exactly what I claim.

12287. Is that correct?—Yes.

12288. You pay 15 per cent. on paper which the printers are using and bringing in duty free?—I am importing a paper on which I pay 15 per cent. duty which is put to practically the same purpose to which the printer puts his paper, and he pays 3 per cent. less rebate.

12289. I want to know if you are paying 15 per cent on the same paper as the printer is getting in free?—As nearly as possible I claim it; our cartridge paper is practically the same.

12290. Is it white?—No; it is lemon coloured like the piece I have here (*producing sample*).

12291. Do they print on this paper?—I expect they print on that.

The Secretary.] It is packing paper. The printer could not get it in free.

12292. *Mr. Pyott.*] It is not the same paper at all. That does away with that argument?—"All plain paper in its original mill ream, wrapper or reels, not less in size than 16 in. by 15 in. . ." comes in free under the 3 per cent. rebate clause . . ." not including faint or ruled papers or blotting, brown, cartridge, drawing, manifold, packing or tissue paper." This is not cartridge paper in the true sense of the word. It is only cartridge paper because we dub it that, as the result of the process for which we use it.

12293. You tried to convey the idea that you pay 15 per cent. and the printer gets it free, but it appears it is not so?—I may be at fault. I say it comes under the first classification here, because it is brought in for manufacture to just the same extent as the printer gets it in.

12294. I think you said strawboards were in practically the same position?—Yes.

12295. You can import it in the board on exactly the same terms as the printer?—Yes.

12296. But you cannot import it in the manufactured stage?—I cannot import it cut. It is not manufactured. It depends on what you call manufactured.

12297. You are allowed to import it cut in shape duty free?—No; I have to pay 15 per cent.

12298. But you can import the original strawboard duty free?—Yes, but I cannot make them up on the margin. The duty does not give a margin sufficient to cover the manipulation of the plant necessary to manufacture them; in other words, I can import them cut cheaper than I can manufacture them.

12299. You make them up in your own factory?—Yes.

12300. Have you the machines for wire-stitching?—Yes.

12301. But not for shaping them?—No.

12302. You said you did not press the matter of the duty on wood boxes being taken off if it is for revenue?—I say it is not justified on any other score than revenue.

12303. Does it not give employment to a certain number of people in this Colony?—I do not know. That is rather a difficult question. It is a question whether it gives much more employment to men than it would if the boxes were imported made up. That is our point of view.

12304. You have tried to get your boxes in Cape Town?—Yes, I have, but found the expense to us would practically put them out of the running. The cost was too great, but in common justice I must say that the latest quotation I have had—which must be over a year ago—was about 5d. different. We have had a few boxes, and they were made very well. We had about 5,000 or 10,000 made a few weeks ago, but just how the cost came out I could not tell you.

12306. You do not press the question of the taking off of the 15 per cent.?—Not if it is for revenue purposes.

12307. Still, you get protection on your dynamite?—Yes.

12308. And your raw material is all imported?—Yes.

12309. You are in exactly the same position as the box-maker?—Yes. You are in just the same fix; the box-maker cannot get wood in the Colony.

12310. If you protect one then increase the other?—Yes—then increase the *pro rata* protection on boxes. If you are to put the South African box-maker on a par with the European manufacturer you will have to increase the existing duty.

12311. *Mr. Scott.*] Are any of those raw materials of a higher explosive nature than the finished article?—No. I am excepting collodion cotton.

12312. You made a point of the rates to Johannesburg. You contended it was carried at third class rate?—Yes, and that is wrong; it should be in the normal rate at least. In its wet state it is extremely difficult to detonate, but dry it is one of the highest explosives. It is kept wet in order to make it safe for transport, but my contention is that it is a very expensive explosive product, and one we are manufacturing in South Africa with a plant representing a large capital outlay, and therefore we are entitled to protection for that.

12313. Your contention is you should be protected on the railway?—I want to see collodion cotton put in a rational classification, and I want to see an import duty on it, to force the manufacture in South Africa. It can be manufactured satisfactorily now.

12314. Have you tried any of the Colonial fire bricks?—A great many.

12315. They will not stand your test?—No; in fact I only know of two fire bricks all over the world that will stand our work. We import them from England, and as far as acid bricks go only two sources of supply are of any use to us—one manufactured by a German concern in Charlottenburg, and another by an American concern in Seattle, Washington.

12316. You apparently use a special fire brick?—Yes, and a special acid resisting brick.

12317. Are your imports of fire bricks large?—Not particularly great.

12318. So this duty of 25 per cent. would not press too heavily on you?—No.

12319. *Mr. Kayser.*] Have you anything to say with regard to the duration of the tariff?—I have thought very strongly on the subject. I think if one thing has upset the conditions in this country more than anything else it is the feeling of uncertainty which obtains throughout the whole of the Colony as to what the Customs conditions are going to be to-morrow. One never knows. Under your present Customs Tariff there may be some product which can be manufactured from Colonial grown articles and for which, say, an outlay of £15,000 to £20,000 is necessary for the requisite plant. A manufacturer puts that down to-day, and in a year or two, when he is getting in working order, the tariff is removed. We had the same experience with dynamite when we built our factory. The duty on the imported article was 12s. 6d. and now it is 8s. 4d. I say it should be binding at least for six or seven years at the very minimum. That is from our point of view.

12320. You recommend that the minimum term should be seven years?—Yes.

12321. You do not consider five years would be sufficient?—I would much rather see it for seven.

12322. You gave us rather interteresting evidence, and I must say I am with Mr. Tod in regard to the comparative costs with regard to the Modderfontein Factory and yours. Have you got the figures which show the basis of the working on the figures now ruling for the raw material in the Transvaal?—That is the situation to-day.

12323. You pointed out that they got lower rates for their raw materials than you. Provided you were both on the low rated basis, you give a difference of about 1s.?—Is this what you require—"Statement showing what the effect would be if the Cape Explosives Works had to pay railway rates on the same basis as the Modderfontein Factory, viz.: Glycerine and cotton waste at the third instead of the second class rate; also if the special rate for finished explosives from Firgrove to the Transvaal were done away with, and the normal through port rate were charged"?

12324. That is it?—It would be 84·76d. Here is the present situation. The transport for Modderfontein costs 69·28d. as we stand now, and ours to-day costs 79·19d.

12325. On the Modderfontein basis it would be 84·76d. provided the railway preference were done away with?—Yes.

12326. That would be a difference in favour of the Modderfontein Factory, roughly, of 15½d.?—Yes.

12327. That would be a disadvantage to you of 15½d.?—Yes.

12328. You have been contending that you want the Transvaal Factory to pay the same price as you are now being called upon to pay; in other words. you want their rate to be increased?—Yes.

12329. And you consider articles of a dangerous nature should travel at a higher rate by railway?—Yes. I want collodion cotton increased, and their collodion cotton should be on the same basis as ours.

12330. Can you tell us what percentage of Colonial material—including labour—you have on your product?—We manufacture sulphuric acid, nitric acid, nitroglycerine and a whole string of things. I can only give it on a wages basis.

12331. You cannot give the percentage of quantities?—No, because practically the whole of our raw materials must necessarily be imported, for the reason that they are procurable in only one or two parts of the world. The labour comes out at about 19 4-10 per cent.

12332. That is on the value?—Yes.

12333. I believe Mr. Hosken has given the percentage in his evidence, has he not?—I believe so. I can tell you beforehand that they use practically no Colonial-grown products, except a small amount of mealie meal.

12334. What products does he include in his percentage?—I presume he states his cardinal materials.

12335. Has he included water in arriving at his figure?—Yes. He makes the statement: "We are using three tons to one nett"—that is raw materials to finished explosives. He says, "It comes nearer to four to one if we take the actual tonnage into our factory and the actual tonnage out, including food stuffs and so on." The question was put, "You use a good deal of water, of course?" and he replied, "We have water on the spot as required." The next question is, "Is that included in your statement of four to one," and the answer, "Yes, that is included." Consequently, he includes water in his raw materials required to produce a case of dynamite, which is, on the face of it, absurd.

12336. Can you give us your percentages in exactly the same way, exclusive of water?—Certainly. During the fiscal year ending June 30, 1907, we imported 32,909 Colonial tons, from which we produced practically 7,500 tons of finished explosives. I am giving this in round figures. That is just slightly over four to one. Of that 11,000 tons was Natal coal. Mr. Hosken, in his statement before the Commission in Johannesburg, made certain statements which do not seem to me fair, to say the least. He cites the railway rates obtaining in Germany, England, France, Australia, Canada—in fact all over the world—on explosives. He points out that the rates on explosives in those countries are from four to five times as much as the rates on the corresponding raw materials required for their production, but he claims that a similar state of affairs should exist in this country, quite overlooking the fact that in the case of European countries they are at somebody's back door practically the whole of the time the explosives are in transit; in other words, those countries are very thickly populated and the conditions are quite different to this country, where we have a thousand mile journey and run through a couple of dozen towns on the road. He is quoting short distances, and ours is a long point-to-point haul.

12337. Can you give us the railway rates in other parts of the world on the raw materials required for the manufacture of dynamite—articles like collodion cotton and so on?—I cannot give them.

12338. That would be the answer to these figures?—The factories I have been connected with have always been seaport factories. I should have to communicate with Europe for the figures.

12339. That is the answer to Mr. Hosken's figures?—That is an important point. If Mr. Hosken's contention is going to be supported—that explosives going on a thousand mile journey ought to be charged *pro rata* on exactly the same basis as materials going a couple of hundred miles—it seems to me unjust.

12340. With regard to the labour, was it brought out what amount of white labour you employ?—It is brought out in this statement.

12341. With regard to these complaints of yours about having to pay the duty on strawboards, boxes and so on, as I understand it your contention is that other industries which are protected are getting their raw material in free?—That is my understanding.

12342. And you think you should get your raw material free in the same way?—Yes.

12343. Is that really your contention with regard to the paper?—Yes.

12344. The printer gets the paper suited to his business in free and you think you should get the paper suited to your business in free?—That is what I have been trying to put; that is my point exactly.

12345. You would be quite prepared to pay duty, I take it, on the strawboard, boxes and paper if it were a revenue tax?—Certainly. You have to raise revenue.

12346. But you think if you pay it the other manufacturers should do so also? —That is our point exactly.

12347. With regard to competition, your evidence to-day has been entirely against the factory in the North?—Yes.

12348. What is the reason for that?—Because I regard that as our important competitor.

12349. The only competition you have is the competition in the North?—Yes.

12350. Therefore you have no desire for further protection as against the removal of the railway rates?—No; I simply ask that we be put on the same basis as they.

12351. As far as outside manufacturers are concerned, you are amply protected?—Yes; we require no further protection.

12352. With regard to the very much discussed point of wood boxes, you object to the duty of 15 per cent.?—If it is put on for the purpose of protecting a South African manufacturer I think it is anomalous and should come off, but if put on for the purpose of revenue it should stay where it is.

12353. Would it be fair for one section of the community to have the boxes in free?—Certainly not.

12354. The only application for the boxes to be brought in free has been from the fruit growers?—Yes.

12355. You recognise we are anxious to encourage the export of fruit?—Yes.

12356. And fruit growers have complained that this duty on fruit boxes affects their business.

12357. Would you consider it unfair to give them the boxes for their trade free and you to pay the 15 per cent.?—I do not think that would be fair. Our industry is just as important as theirs.

12358. You think you should be treated on exactly an equal basis?—I think we should be put on the same basis.

12359. Supposing a suggestion were made to refund to them any duty paid on any articles exported, would you raise any objection to that, supposing they exported fruit or jams?—Outside the Customs Union?

12360. To other countries, yes?—It would not affect us much. I am not prepared to say yes, because we may have to send some of our products to Europe.

12361. You say they use scrap timber for the things?—Yes.

12362. And you also said you required wood 10½ in. to 11 in. wide?—Yes.

12363. When you mention scrap timber, does that refer to timber 11 in. wide? —No; they are cuttings from logs, etc. In some cases they piece them together and glue them to make the tops and bottoms. I do not mean to say waste wood in the ordinary sense of the term. I mean short logs that are not long enough to cut into merchantable boards, and so on, they make up into boxes.

12364. I thought your answer was a little bit misleading, because timber 10½ in. wide cannot be described as scrap timber in the sense of the outside deals of the logs?—Certainly not.

12365. What thickness are your boxes?—Tops, sides and bottoms ½ in. and ends ¾ in.

12366. You might explain why you find it impossible to have these made here, when we have it in evidence that they can be made to compete?—The labour costs too much, I take it. Power forms an appreciable amount of the manufacture, and that is very expensive.

12367. Have you gone into the question of making them yourself?—Yes.

12368. Have you any power at your works which could be used?—Ample power. It would only mean laying down special box-sawing plant.

12369. You have really gone into the question, and find it would not be in your interests to manufacture them?—Yes.

12370. It appeared to me the reason was because your boxes were made of fairly thick timber?—That has something to do with it, and also it is wide wood. We went into it very carefully, and considered the pros and cons, and we thought it would not pay us.

12371. *Dr. Viljoen.*] I believe you are going to start a wood pulp machine?—Yes.

12372. What wood do you propose to use—Colonial wood?—Yes, locally grown wood entirely.

12373. There are also certain carbo-hydrates which you will use instead of the old kieselguhr?—Yes.

12374. They will also be Colonial?—Yes.

12375. What percentage of the ingredients would the wood pulp and the allied carbo-hydrates form?—Reckoned on the explosives, it would be about 5 per cent. on the special explosives turned out. The reason of that is that the wood pulp only enters into the composition of one grade of explosives. On the total bulk output it is only 5 per cent., but on the actual explosives in which it enters it forms 15 per cent.

12376. That would be another 15 per cent. of Colonial products employed in your manufactures in a very short time?—5 per cent. on the total gross output. We have indented for the plant for manufacturing the wood pulp.

12377. This will be started shortly?—Yes; I hope in a few months; the sooner the better.

12378. *Mr. Harlow.*] What percentage of your explosives do you send to the Transvaal out of the Cape Colony?—About 68 per cent. Out of a total shipment of 298,000 cases 202,352 were sent into the Transvaal.

12379. In reference to the fire brick question, have you used the Vereeniging fire bricks?—I have tried some manufactured in the Transvaal, but the names have slipped me. I have not tested them for some months, but we have tested them from all over the country.

12380. You said your rates of wages were higher than in the towns?—Yes.

12381. Do you mind giving the details?—I will mention one or two cases. We pay carpenters 1s. 10d. an hour, which I believe is about the rate of wages obtaining about the Peninsula, bricklayers 1s. 10d. an hour, and painters, I think 1s. 6d. Our fitters receive pay depending upon their ability, ranging from 1s. 8½d. and 1s. 9d. up to 2s. 2d. an hour. Plumbers get 2s. 4½d. an hour. In some cases the rates are materially in excess of the rates in the Peninsula.

The witness submitted the following explanation of his answers to questions Nos. 12267-9:—

In this paragraph and the two succeeding paragraphs, my meaning appears to have been distorted. We do not object to imported explosives coming in through Cape Town being given our preferential 112d. rate to Johannesburg, nor do we wish the duty raised to offset this. *We do of course object to the 112d. rate being removed*, as we would then be unable to compete with the other seaports, viz.: Port Elizabeth—rate 97d. per 100 lbs. for 712 miles; East London—92d. for 664 miles; Durban—92d. for 484 miles; Lourenco Marques—84d. for 396 miles; and these rates form my strongest grounds for denying that our 112d. rate, Firgrove to Johannesburg (distance 954 miles) is given our Factory as a special preference; it is obviously to balance the longer haul and put the ports on the same basis.

Engineering Trades

Sidney Charles Gearing (of Cunningham & Gearing), *Samuel Short*, *William Ingles Perrott*, and *Walter Donald*, Engineers, examined upon the following list of articles connected with Founding and Engineering, and for which protection is asked.

The following articles should be protected with a 25 per cent. duty:—

Steel Constructional Work.
Wrought Iron Railing, Balustrading and Gates.
Wrought Iron Windows.
Cast Iron Columns and Friezing, Brackets, Railing, Guttering.
Gulleys and Manhole Covers, Fire Bars, &c.
All Cast Iron and Brass Work appertaining to Architectural and Constructional Work.

12382. *Chairman.*] You wish to give evidence on the engineering business?—*Mr. Gearing.*] Yes.

12383. Do you wish to make any additional statement?—No, except that we wish for some protection to enable us to live.

12384. *Mr. Scott.*] You have a very large establishment?—Yes.

12385. You employ a large number of hands, and also apprentices?—Yes, about 150 men and about 22 apprentices.

12386. Your complaint seems to be that when you make such articles as grape mills, wine pumps and plough shares, as soon as you bring them to proficiency the merchant seems to send your patterns abroad and bring out the articles in competition with you?—That is a simple fact; it has been done over and over again.

12387. You ask for protection on such articles to prevent that sort of thing?—And everything we can manufacture in the Colony. You get out patterns, and go to great expense in making the plant; and then I have even been asked to furnish drawings of things I have designed here. It simply cuts your throat.

12388. Your very drawings have been sent out of the Colony to enable other manufacturers to produce the articles, and they are then brought in against you?—That is right.

12389. Taking plough shares, you said at one time they were 14s. a dozen, and they came down to 8s. a dozen?—We put them on the market at 8s. a dozen and we took the whole trade, and they closed us out by underselling us for too long.

12390. The merchant does not feel inclined to distribute your goods?—No. At 8s. a dozen as against 14s. there was not so much profit for them.

12391. I suppose it is an advantage to the farmers to get the plough shares here; you use up their cast iron?—Yes, and also they get small alterations made in the shape of the shares to suit their own ground.

12392. I do not know what protection you have at present on engineering?—Simply nothing whatever.

12393. And you have managed to struggle along all these years you have been in business without protection?—We could do it all right as long as the shipping came into port.

12394. You specialise in jumping drills?—Yes, for boring for water. I think we were the first to take up that in the Colony.

12395. Have you been protected?—In no way. We make the tools for the imported machines frequently, but we have no protection on the machine we produce here.

12396. Were you instrumental in producing a special boring drill?—Yes.

12397. Was that interfered with in any way by foreign manufacturers?—Yes; our principle has been copied in the States. They simply patented our own plan in the States and sent it out here.

12398. Is the machine equal to yours?—I do not think so, because they use wooden frames and we use iron.

12399. Which stand the country better?—Yes.

12400. What about diamond drills?—We have made them for a number of years. They are not so much used now; the price of diamonds has gone too high. We still make them, though not in such large numbers.

12401. What protection do you ask on these articles?—We think 25 per cent.

12402. Coming to ice plants, do you make refrigerating machinery?—Yes, in large quantities. I can supply from stock up to ten-ton machines.

12403. Then I suppose if there was any breakdown in any of these refrigerating plants you would be able to repair them?—They will get similar parts by return train.

12404. If they encouraged you, would you be able to supply the component parts at a lower rate?—Yes. That is one of our grievances—that any spare part for any machine comes in free. Our shop is never free of the little incidentals of breakdowns, because people will not wait so long.

12405. With regard to engines and boilers, do you ask for any protection on these?—Yes. Give us a protection up to 50 horse-power to give us a start.

12406. You would not go beyond that?—Not at present, but I would do if I could go ahead at all.

12407. We have the miners in the Transvaal who import large machinery?—I quite recognise the trouble. I think up to 50 h.p. would be a fair thing. We have produced that and do produce that easily.

12408. You also make special irrigation pumps?—Yes. We have just started a plant for 50,000 gallons an hour for lucerne cultivation.

12409. Do you know what the tariff of Australia or any of the other Colonies is?—The Australian tariff protects machinery by 27½ per cent., even to road rollers and traction engines.

12410. Do you employ many apprentices?—Our number is 24.

12411. Have you any difficulty in getting them?—We have far more offering than we can take, unfortunately.

12412. Have you made any suggestion with regard to the duration of the tariff?—No.

12413. What is your idea?—I could not say. Certainly it should extend for a time long enough to let us feel the benefit of it—in other words, in order that we could increase our plant.

12414. If you were to put down a large plant to produce plough shares and these special ice plants you make, what length of time would you require to encourage you to do that?—If they left it alone for ten years—as long as we can get it.

12415. What would be the minimum?—It is difficult to say; I should say seven years.

12416. Do you know anything about the railway tariff?—We have an advantage for Colonial-made machinery, but it is very difficult to prove it. I would point out that the furniture man imports his wood.

12417. How much is the advantage you get on the railway?—As nearly as I can recollect, about 8d. per hundred pounds.

12418. Do you wish that continued if you get this 30 per cent. at the port?—No; I do not think it is necessary to do it then.

12419. As you know, we have the Kimberley manufacturer who works in cast iron goods, and he complains about the protection over the railway, but you do not press that?—No. I think if we were protected in the other way it would not be necessary on the railway. I spoke of the Customs duty.

12420. I do not know what protection you have on the railway?—The tariff for Colonial made machinery. We send machinery as far North as Bulawayo.

12421. Have you any objection to the Commission visiting your works?—I would only welcome it. I wish somebody would come to see how far we have got; it would give confidence, I am sure.

12422. If you did not get this protection, and had no shipping work on?—We should have to shut up. It is the shipping which keeps us afloat; it keeps our staff together. That does pay us. A vessel came in last night with a broken steam-pipe, and I worked half the night and she is at sea again this morning.

12423. You do that in between making other articles; at least you fill in the time between your shipping jobs?—Yes. We have room for 350 men easily. We would extend the works and put down a permanent branch of manufacture, instead of making it simply a workshop.

12424. There is one very important feature. What effect will this proposed duty of 30 per cent. have on the farmer?—It cannot increase the cost of plough shares. They pay more for them now than ever they did in the '80's, when we gave them at close on half the price. We did not only confine ourselves to plough shares; we made the mould boards and the whole outfit, and by this time we should have been making the plough. It is simple to make the body when you have made the parts.

12425. Could you make a better plough?—No, but we could make a plough to suit individual farmers better.

12426. *Mr. Tod.*] What is the duty you demand?—We think 25 per cent.

12427. Is this on all engineering work?—This is on machinery, and every one nearly uses machinery.

12428. Does this cover all the machinery that is at present imported?—Yes.

12429. Barring engines and boilers over 50 h.p.?—Yes.

12430. Are you going to ask the printer to pay 25 per cent. on his special printing machine?—The printing machine is a machine which extends over a long time. We could certainly make it.

12431. I understand there are various patents for printing machines?—You can obtain the manufacture by paying the royalties.

12432. Is it your intention that the printing machine should pay 25 per cent.?—Yes.

12433. Is it your intention to put a protective duty on machines which cannot be made in this country?—They have not been made, but can be.

12434. Would any engineer in this country make one?—I would.

12435. Would it pay you?—No.

12436. Even at 25 per cent.?—It would at 25 per cent.

12437. *Chairman.*] Your suggestion is to put 25 per cent. on all machinery coming into the country?—Yes.

12438. Why do you bar engines and boilers over 50 h.p.?—It comes to this that our plant at present is not heavy enough to cope with anything above that. We will forge anything heavier, but I would have to pay over a thousand pounds for one tool. The rollers I have for rolling plates for the construction of boilers cost me over a thousand pounds. I could not forge those heavier things because I have not the tools to manufacture them.

12439. You would have to pay the duty on the tools?—Yes.

12440. Is there any possibility of carrying your suggestion through the Customs Union?—Honestly speaking, I do not think so. I am telling you what would help the country.

12441. It might help this part of the country, but will it help other parts of the country?—I have proofs that a large firm of shipbuilders and engine-builders—Whitworths—are starting in Australia under the protection of their tariff. Two millions are being spent to start an ironworks in India under their tariff. We have iron in larger quantities than either of them.

12442. Give us a practical suggestion to go to the Customs Conference with that we may hope to get carried into effect?—We must make a start. You could give us a bounty on manufactured machinery, but that is not a good suggestion.

12443. Can you give a suggestion to go to the Customs Conference with regarding plough shares and similar machinery?—Of course we would expect what we could get, but we ask for 25 per cent.

12444. Would it not be better for the engineers to give us an enumerated list of things which they can produce in this country?—We are quite willing to do that. [*Vide* end of the witness's evidence.]

12445. *Mr. Tod.*] To follow up that point a little further, I gathered from your statement here that, broadly speaking, you want the same means taken in this Colony to put forward your industry as were adopted in Australia with success?—Surely.

12446. Do you not think it is better to walk before we run? Would it not be better for you to pick out certain of the simpler lines and get a start made on those first?—Yes, but there is nothing done; we must make a start of some sort.

12447. Do not you think you could hand to the Commission a list of machinery that you could make a beginning with in this country?—Yes, I will do that.

12448. Take a reaper and binder. You would not propose to manufacture those right away?—I certainly do. If you come to my place you will have some idea of what we can do. You do not understand a bit about the thing. We can surely make a reaper and binder or any other machine. You will see a set of freezing machines at our place which are far more complicated than reapers and binders.

12449. What proportion does labour play in the manufacture?—It is the most expensive part of the whole thing. We pay an average of about £23,000 a year in wages.

12450. Would the labour represent 50 per cent. of the cost?—More.

12451. Really your industry means a tremendous amount spent in labour in the Colony?—It certainly would; it would represent a very large outlay. You can understand it when in our small way we are paying as high a wage as an average of £20,000 or £23,000 a year. We are down to about £17,000 now.

12452. What about mining machinery?—We could make anything of the kind. I have made many pit-head gears.

12453. You have to import all your pig iron at present?—Yes, except for the scrap which is broken up in the Colony when machines become obsolete, and when houses and buildings are pulled down—cast iron columns—and we get the plough shares back from the farmers. Otherwise we have to import all the material, but that is the curious thing, because we have it in the Colony. I have samples of ironstone in the Colony; it is a question of laying out the capital required. It would take two million pounds to start an ironworks in India, and the Government have guaranteed to purhase £10,000 worth of rails each year for ten years. That is according to the "Daily Mail," which I have here.

12454. Are you acquainted with the position of the engineering business in Australia? Do they import all their raw material?—They did until recently, and three parts of it now, but they have had an ironworks started recently, and the Government have given an order for £150,000 tons of stuff.

12455. Do they make steel rails in Australia?—Yes, but they have only just started.

12456. Do you not think the suggestion a good one that you should confine yourself for the present to certain lines?—I am prepared to do anything to advance the engineering. Taking it right through the world, you will find that any country which is behind in its engineering trade is behind in everything.

12457. *Mr. Harlow.*] You say you made a plant for manufacturing plough shares and sold them at 8s. a dozen, and to-day they are selling at 10s.?—That is right.

12458. Provided you had the 25 per cent. put on, would you be able to produce at 8s. again?—Yes; I will produce them right enough.

12459. At that cost?—Yes.

12460. Therefore the farmer would be reaping the advantage?—He would, but you must understand that to get that thing going again requires time.

12461. But provided you had this tariff put on immediately, or within six months?—I would be ready to produce inside twelve months.

12462. It would be no disadvantage to the consumer in any shape or form?—It would not.

12463. I do not know whether you are prepared to answer this question. It is in Mr. Perrott's letter in reference to the Government and Municipal Councils. Does the Government in any way encourage your manufacture?—Yes. I have made them diamond and water boring machines, but they also import numbers of them.

12463A. Casting, and so forth?—Yes.

12464. You could compete with oversea with the 25 per cent. put on?—Easily.

12465. And produce the whole of the casting required?—We can produce anything in the way of casting up to ten tons. Take the Municipal casting. We can easily produce them—all the street corner gulley gratings, and those things; they are imported, and we could make them. I have done so for the outside Municipalities for years.

12466. In reference to the statement that they give you an order, do they give you a large order or a small one?—That is the worst of it; we only get a small order. They give us two or three, or perhaps half a dozen to make. If we had half a dozen hundred to make then multiple work would come in, and we could make them for very much less price.

12467. Provided you could get the orders to-day that are sent oversea, you could practically compete without any further duty?—It is possible, but it is a close call; it depends on the freight.

12468. Is it not a fact that they give you a small order like that, and then turn round and say you cannot compete?—It is a fact. Another thing is the way they will call for a tender. They take from a catalogue a manufacturer's standard thing—take a railing, which is a fruitful source of trouble—and they ask us to quote for that. It stands to reason we are bound to fail, because that man has the plant. He is in the same position as I am with my plant offering to make plough shares for 8s. No one else could do that unless he spent £5,000 for plant, like I did.

12469. Do you mind telling the Commission what amount of capital you have laid out in your manufactories?—I have capital to the amount of £75,000.—*Mr. Perrott.*] Mine is £10,000.—*Mr. Short.*] I have £9,000.—*Mr. Donald.* Mine is £8,000.

12470. That amounts to £100,000 in Cape Town alone?—*Mr. Gearing.*] That is correct.

12471. I suppose a great deal of your plant is lying idle?—That is the worst part of it. The cost is heavy with a plant like that lying idle.

12472. In reference to the building trade work—mentioned in Mr. Donald's statement—do you find any difficulty in supplying that, Mr. Donald?—*Mr. Donald.*] Not, generally speaking.

12473. You get a fair amount of support from them?—Yes.

12474. But not all?—No.

12475. You do not get all that could be given to you?—No, by a great deal.

12476. How many men do you employ?—At present 18, and in the good times I was employing 54.

12477. All skilled mechanics?—No.

12478. What proportion?—Half.

12479. Are they white or coloured mechanics?—All white.

12480. Do you make these wrought iron gates and railings, and so forth?—Yes.

12481. No castings?—No.

12482. You suggest 25 per cent.?—Yes. It would cover my trade in the building requirements.

12483. What would you suggest on the raw material coming into the Colony?—Free.

12484. Do you not think it would be advisable to pay a small tariff for the purpose of revenue, and not be selfish? You would not object to 5 per cent?—Not if you made my 25 per cent. to 30 per cent.

12485. You have no protection now?—None.

12486. But you are still managing to exist?—That is all.

12487. Have you any apprentices?—Three.

12488. That is about in proportion of one apprentice to two mechanics?—These were employed in the good times, and you cannot pay them off when bad times come. If very bad times came I might have no one left but apprentices.

12489. Are your apprentices indentured?—No.

12490. Would it not be advisable to indenture them?—That is an open question. I belong to the village of Clyde Bank, and served with John Browns there. All the villagers were not indentured, but outsiders were apprenticed. The reason I cannot give you.

12491. As a matter of fact, practically the whole of the apprentices in the engineering trade in the Old Country are indentured to the Trades Unions?—I have been out of the country for twenty years, and could not speak for it. They were prejudiced in my village against being indentured; they always considered they had a better chance if they were not.

Mr. Gearing.] My apprentices are all indentured.

12492. It is an advantage to both the employer and the boy to be indentured?—*Mr. Donald.*] I do not know. We often find the apprentices independent. I would like to support Mr. Gearing in the matter of sending Home for material. I can confirm what he has said as regards the building requirements. There is one building I supplied with wrought iron railings. They made a further extension, with a break in the job, and actually asked me to give a sample of the railing to send Home.

12493. They were making a cats-paw of you practically?--Yes.

12494. *Dr. Viljoen.*] Mr. Gearing, I must say I sympathise with your industry, but it seems to me it is very comprehensive, and I would also suggest that you individualise?—*Mr. Gearing.*] We will do that.

12495. To make it a practical thing. It is no good asking for a thing we could not possibly achieve. Were not you the first manufacturers of the gold stamp battery of the Worcester Gold Mining Company?—Yes. I made them in 1882, and they have done all right too.

12496. Now, with reference to the plough shares and agricultural machinery, with which I am thoroughly acquainted, when you refer to plough shares, can you tell me for what plough they were?—We made them for every plough going. The greatest number were H.E. 5's.

12497. What we call the old Swedish plough?—Yes, we made them for that.

12498. Since then, you know, the number, the variety, and the shape of ploughs have enormously increased in this country?—I know that, but we would have kept pace with the times if that branch had been kept up; if we had not been deserted by the farmers we would have made them plough shares up to this day, but they ran away from us when they could get them cheaper.

12499. The farmer has always been your friend?—Yes, but they dropped me over the plough share, and I am not going to forget it quickly.

12500. The ploughs have increased enormously in number, variety and shape?—Yes.

12501. Are you in a position to-day, when a farmer comes with a particular plough share, to supply him with that article at a cost more or less in accordance with the imported article?—Not to-day, but give me twelve months, with the promise that the tariff will be up, and I shall be ready.

12502. At a cost more or less in accordance with the imported article?—Yes.

12503. We want to live and let live?—That is the right thing.

12504. There would be no proprietary rights attached to the plough shares?—No.

12505. But there would be to a plough?—Certain ploughs are patented, and we should not be able to make those if they were patented here, unless we paid the royalty.

12506. You were asked about the self-binder. Do you really think you could make an up-to-date self-binder like the Massey-Harris, which is a Canadian machine? Can you make a self-binder of that description—of that strength and efficiency—for a price more or less in accordance with the imported—say, within 5 or 10 per cent. more?—Yes, if you give us time. Each of these machines is specialised. You have a part, and you get your tool to make that part, and the same with other parts, and these are assembled and put together. It is simply a matter of getting up the plant.

12507. Is it not a fact that the Massey-Harris self-binders and similar types of the better class machines are now being made and sold at the present price because they have the world before them as the market.—That is quite true.

12508. Would you have the world before you as a market?—No.

12509. You would have serious competition outside your own country?—Yes.

12510. You know a large number of self-binders of different types have been put on the market to the disaster of the farmer—who perhaps paid for one and only had a fortnight's use out of it?—That is quite true. You generally find one of the expensive machines filling up a gap in the hedge.

12511. There is a great danger in such a case, but when you get a type of machine like the Massey-Harris, or any well-known type, you know when you buy the article that it will be good and serviceable, and worth the money?—Yes.

12512. The difficulty with you is not that you cannot produce it, but that your market is restricted. Take the 3 ft. 6 in. threshing machines with 8-h.p. engines. Landed here such a machine would cost about £650?—That is right.

12513. Can you make the article for that?—We can. Look at the Australian protection on the same stuff.

12514. I do not know whether you could make it for that price?—We could make it, but not for the price till a year has gone by, because we lose on everything we start making.

12515. You must remember this: you are asking for 25 per cent.?—Yes.

12516. On a threshing machine costing £650, 25 per cent. means £112 10s.?—Yes. The farmers very rarely buy their own machines.

12517. Lots of them. You will be surprised to see how the whole thing has been revolutionised. Take the Caledon district, for instance. Where formerly they had one or two threshing machines they now have them in dozens?—All imported, too?

12518. You cannot have them made here, as you know?—I can put a couple of hundred men on for some of that trade.

12519. Take the viticultural machinery. You know there have been enormous improvements made in that?—Yes. I made the small shares for those little vine ploughs, and altered them to suit the farmers.

12520. Do you know what would be the cost of an ordinary 3 ft. 6 in. cultivator, with nine points?—I have not gone into the matter.

12521. It would be 50s. or 60s.?—Yes.

12522. Do you think you would be able to make the thing at that price?—I am positive of it.

12523. Also within a year?—Yes. Besides, you will get plenty of other manufactories starting if you give that protection.

12524. The question is not the protection. The thing is whether we can stimulate an industry that will give employment to a large number of people in the country?—You will not only stimulate the industry, but you will create a dozen industries.

12525. I go into the details because, after all, it is to your benefit that we should know whether these things can be done. Take the ordinary grape-scissor, for cleaning the vines; could you make that?—Yes. There is not a thing you can mention which we could not make.

12526. But could you at a reasonable price?—At present we cannot, but the proof would be if you gave us an order for a thousand.

12527. Take a sulphurator?—Anyone can make it. But then you want two or three. Come for three thousand, and you will see the difference.

12528. The farmer does not want 3,000?—I know, but you judge the price for what we can make one or two for.

12529. It is for you to have 3,000 in stock for when the farmer wants them?—That is what we want. We cannot do it now. Give the protection, and it will be done.

12530. During the last Session of Parliament a Select Committee was appointed, originally with the intention of inquiring into the railway works, but the scope was extended. Did you give evidence before it?—I did.

12531. Do you know the Committee took very voluminous evidence from all sources?—I know they did. They gave me about five minutes, and then turned me out.

12532. Anyway, they took very voluminous evidence in Cape Town?—Yes.

12533. Did you read the report?—No; I have not got hold of it.

12534. It is not very encouraging?—I thought that myself. I went out of that place very much discouraged.

12535. I put it to you that it would be better for you to individualise your articles?—I believe that would be the best plan to adopt in the present case.

12536. We do not want to prohibit the introduction of machinery into this Colony?—Surely not. I want to make it.

12537. *Mr. Kayser.*] You say, notwithstanding the fact that to-day machinery is being imported free—or 3 per cent. from a foreign country—if a duty were imposed you would be able to supply at the same price as they can be got to-day?—I do not say to-day; you must give me the time. I cannot put down the plant on promises.

12538. Pending that time, what would be the price of machinery? Is it your idea that the duty should be placed on all machinery ahead to give you twelve months in which to get your works started?—Fix the date ahead.

12539. You do not want them to pay the extra cost before you are ready?—No.

12540. Would they not import a lot of machinery and get ahead of you?—That will come to an end.

12541. You would be satisfied?—Yes.

12542. Have you not a protection in the freight?—Not very large. We have to pay freight on our raw material. It will not be in my time, but I am just as certain as I sit here that this country will produce iron for export, and then will be the time for your ironworks to make these things. Now we have to import every bar of iron from oversea, and are at a disadvantage.

12543. Is it not absolutely essential for the production of iron that coal should be found alongside?—Coal is the main thing.

12544. As a matter of fact, we have plenty of iron ore in the country, but no coal?—We have any amount of coal.

12545. But they are not contiguous?—Yes.

12546. That is the main difficulty?—Yes.

12547. Can you manufacture cream separators?—Yes.

12548. On the same basis as the others are importing?—We cannot infringe on patents; we should go to the people with the patents, and manufacture under a royalty.

12549. Supposing they do not allow anyone to manufacture?—Their patents will run out. I will make something which will separate milk all right.

12550. How long have you been in the business?—Thirty years.

12551. What was the position of your business four years ago —We were doing very much better than to-day. Four years ago I paid £23,100 for wages in the year, and now I am paying £14,000.

12552. You are paying a little more than half?—Yes.

12553. There has been no change in the tariff?—No; we have never had anything at all.

12554. The present reduction in your business is owing to the depression?—Yes. We say that if we could make a small profit on the things the men are making to keep them in work while ships are not in the Bay, I would not be going to the wall.

12555. Why did you not patent the jumper you made?—The Public Works Department told us that if we patented it they would give no orders when we made the diamond drill, and I thought the same thing would apply to the jumper drill.

12556. *Mr. Short.*] That is quite true.

12557. If the article was worth copying by manufacturers in Germany and the United States, surely it was worth patenting?—*Mr. Gearing.*] It was.

12558. You were satisfied to be forced off your business by a clerk in the Public Works Department?—It looks like it now.

12559. You are aware an article patented here could not be imported from another State, even if it were not patented in the other State?—Yes. We should have patented it.

The following is a list of items which we are at present manufacturing, but this can in time be increased almost indefinitely :—

- Water Boring Machinery, of both percussion and diamond drilling types.
- Pumping Machinery.
- Iron Castings of every description.
- Brass Castings of every description.
- Refrigerating Machinery.
- Orchard Spray Pumps.
- Steam Winches and Windlasses.
- Steam Engines and Boilers, up to 50 h.p.
- Iron Chimneys.
- Tanks in Wrought and Cast Iron.
- Spare parts for all Machinery.

John Henry Gibbs, Member of the Institution of Mechanical Engineers, Proprietor of the Britannia Iron Works, examined:

12560. *Chairman.*] Will you state to the Commission what points you want to bring before them?—In reading the evidence given the other day, I found I could not quite agree with it on several points. One of the principal things is in connection with the general duty of 25 per cent. on machinery and boilers. In regard to boilers, I am an agent for a firm in Britain, and have been for some years. During the whole time I have been agent there has been a repetition about three times of the same size of boiler. To produce those boilers we want an enormous plant, because every one means different die for the different sizes of boiler. If we put a duty on boilers we are going to stop general work in the Colony, as we have only the Colony to deal with, and not the world, like Britain has, I think it would be a great mistake to tax boilers, and the same might be said of engines—steam, oil or gas. I suppose I have 80 or 90 engines in the country, of which not more than three are repetitions, which means an enormous plant required to do such things.

12561. They only want a protection on steam engines and boilers up to 50 horse-power?—All mine are below 50 h.p. with two exceptions. The protection would be no good; it would only be a tax on the industries of the country. In connection with structural steel, I certainly think if it is ready for putting into place it should be taxed. If it comes in as raw material it should certainly be free. Another point was the manufacture of gates and railings. They could all be made here, and I think they should be protected. For instance, the Cape Town Council asked me to give them a design and tender to make gates and railings. I gave them a design, and I found afterwards that the order had actually gone Home before they asked me.

12562. They were simply making a fool of you?—That is what it was. Just the same with the pillars on the Parade. I made most of those, and they asked me to tender again, and although they asked me they were sending Home for them at the same time, and I do not think they made a couple of shillings on it. In regard to castings, I think all municipal castings, such as gulley gratings and frames, should be taxed, because they can all be made here, and at a price comparing extremely favourably with England. Of course, pipes for water works and so on require special plant, and they would not need to be protected.

12563. Do you not think the freight in importing is sufficient protection for all these things?—Not with these smaller things. For instance, I made the first inspection chamber covers used in Cape Town, and the Cape Town Council insisted upon a certain weight being put in. My patterns were sent Home, and they brought them out here at half the weight, and the Council allowed them to be put in, although they insisted on the local articles being a certain weight. If they were taxed on value it would make all the difference.

12564. Your remarks apply chiefly to Cape Town?—Other Municipalities import as well.

12565. Other Municipalities a thousand miles from here would have to pay as much to get them from here as from England?—I cannot speak of the railway rates.

12566. We have to consider the whole of South Africa?--If the whole of South Africa bought from the places where they could be made, the things would be produced at the same price. If you can keep your men together, and keep them producing an article as a stock article, knowing it will be required somewhere in South Africa, it will soon pay for itself in that way.

12567. Is there any other point?—I do not think so, only I notice it was stated that cream separators could be made here. You could tax them up to 50 per cent., and we could not make them here. It is very fine machinery, and the cost of installing the requisite machinery would not enable us to compete.

12568. *Mr. Scott.*] What is your business?—General engineer.

12569. And you have an iron foundry?—I had one, but not now.

12570. Do you make engines and boilers?--Anything that is asked, but I do not make boilers.

12571. What horse power engines do you make?—We have not actually made any engines here. I have assembled them. Some people call that manufacturing, but I do not.

12572. You do not manufacture engines, as a matter of fact?—I have done, but I do not make a standard thing of it, because there is not a demand.

12573. You are not doing it now?—No.

12574. Our difficulty is that other engineers tell us they can make engines and are making them now, and can make them up to 50 h.p.?—I say nine-tenths of the engines made here are only assembled here. Nine-tenths of the parts are imported and then put together here; I do not call that manufacturing.

12575. As an engineer you want protection on articles you can make, such as gratings and inspection chambers, and ridging and pillars and that sort of thing?—Yes.

12576. The men who can make engines and boilers want the same thing?—I could make them if there was a call for them, but what is the use when there is no call?

12577. Are you not an agent?—Yes, but that is not the primary thing.—I have the works here, and have had them for 18 years.

12578. Have you heavy tools for making engines?--I have heavy tools for doing any work I have been asked to do here.

12579. Is refrigerating machinery made here?—It is assembled here—parts imported and other portions made for it.

12580. Our engineers are not correct in saying they make them here?—One man may say that he makes and another that he assembles. If you take an engine, and say, "Did you make this part and that part?" you will find that the parts were made at Home and put together here.

12581. I understand some parts might be imported, like gauge glasses and highly-finished brass articles, but we have it from one gentleman that they make refrigerating machinery—the parts are all made in Cape Town?—I do not think that is correct.

12582. Take such large machines as irrigation pumps. Can those be made here?—I can make anything I am asked for if the people will pay for it.

12583. You are asking for protection for those things you can make yourself?—I am not interested in constructional steel, and I ask for protection on that. I have no foundry. I am not interested only in a certain sense now.

12584. How can you make man-hole covers?—I had the largest foundry in Cape Town for twelve years. I have no foundry now. I have an agreement with another founder to make my castings.

12585. Have you made a list of the articles you can make?—I can make anything, provided people will pay for it.

12586. That is hardly an answer. There are certain things you could not make—for instance, the cream separator?—I could make it if people would pay me for it.

12587. You do not think it is necessary to hand in a list of the articles you could make? No, because I can make anything.

12588. Our difficulty is as to what articles we should recommend a duty to be put on?—Gates and railings, castings up to 500 lbs., but not indiscriminately. It would have to be specifying certain articles, such as gulley gratings and frames.

12589. Would it be fair to the engineers who make engines and boilers of a certain weight?—I do not think it is necessary to tax engines of any sort up to any size.

12590. *Mr. Pyott.*] What duty would you put on these articles?—Make it the amount of the difference in the cost of production at Home and here. Twenty per cent. on gates and railings and these small castings would do it.

12591. Would you have any objection to making a list for the Commission of what is capable of being made in the Cape Colony under this protection?—If you wish I will do so.

12592. *Mr. Harlow.*] In reference to the castings, did I understand you to say castings up to 500 lbs.?—Not indiscriminately. Man-holes and frames up to 500 lbs. could be made here.

12593. If an iron founder said he could make a casting up to ten tons?—Quite possibly, but such a casting is a special thing—some breakdown or other—and people are willing to be charged for it. I have cast castings over two tons in Cape Town.

12594. In reference to the refrigerating machinery, you know there is a lot made in Cape Town?—Parts of it, but not all.

12595. The whole of the castings are made here?—A good few of them.

12596. Including the cylinders, and so forth, and the side beams?—Yes.

12597. What is imported—the piston rods?—All the fittings are imported. With any machine costing by itself £10, the fittings on it will cost another £10. Those fittings could not be produced here for £10, nor by putting on the 25 per cent.

12598. In regard to Municipal ironwork, is it a fact that engineers here are offered work provided it can be done at a cheaper rates than the oversea cost?—It has been offered at times if you can do it. They want so much at Home, and if you can do it at so much less you can have it.

12599. They are not prepared to pay you the same price as they can get it done for oversea?—Under certain conditions they are, because if you make a thing here you are here, and they have you to find fault with, but if it comes from Home they have to pay for it before they get it. Therefore they have no redress unless they go 6,000 miles, whereas they have the redress against you here. I have designed a lot of the lifting machines about town, and designed the first Table Mountain railway.

12600. *Mr. Kayser.*] I sum up your evidence to be that you can make anything in this country, but the difficulty is to make it at a reasonable price, on account of the small demand?—That is it. There is no demand.

12601. You can make the article heavy or light, but the cost will be prohibitive unless you have a greater demand?—Yes.

12602. And that applies to articles like reapers, binders and mowers, for which there are large manufactories, which practically cover the markets of the world?—Yes.

12603. You could make a dredger here?—Yes. I would undertake to design and make anything to suit the requirements on the spot. I cannot manufacture at the same price.

12604. You are in favour of protection, but what you want protected are only manufactures in which you can reasonably compete with those from the Home market?—That is it.

12605. With these lighter castings, is the reason you can compete that you can get sufficient scrap iron and so on to make them here?—Yes. I never found any difficulty.

12606. There is a large quantity being shipped oversea to-day, is there not?—Yes.

12607. I suppose the freight on the heavy articles, such as engines and boilers and so on, would be a very big protection?—The freight does not come so heavy as the Harbour Board charges. They kill everything. They are as much as the freight.

12608. The freight and landing charges are a very big percentage on the cost, which alone represents a large protection on these articles?—Yes. One lot of things I had cost me £33 to bring from the Docks to my place, and cost £37 freight from the manufacturer in England.

12609. Why do you not make cast iron rainwater pipes here?—You would want special plant. You could make them.

12610. Even now there is a very large breakage in importing cast iron pipes?—Yes.

12611. Notwithstanding that, it still pays them to import them?—No one has started to make these things, because it would mean having a special plant, and it would be idle for a time.

12612. There is not sufficient demand for that article to justify the laying down of the special plant?—No, because you would want special men for that work, and for some time they would be idle.

12613. *Mr. Pyott.*] If you get the 20 per cent. protection, can you make cast iron rainwater pipes?—I do not think there is sufficient demand, because most of the people up-country have them made of galvanised iron.

12614. That is one of the things which should not be under the 20 per cent.?—Yes. I will go through the things, and make out a list of what could be made in the country and what could not.

Fishing Industry.

George Driver Irvin (of R. Irvin and Sons, Fish Merchants), examined, submitted the following statement:—

STATEMENT OF R. IRVIN & SONS, TRAWLER OWNERS AND FISH MERCHANTS.

" This business was established here in 1903 by R. Irvin & Sons of North Shields, Aberdeen, Yarmouth, etc., one of the largest firms, in the fish trade, in the United Kingdom. Our business here is comparatively small. Capital invested £35,000. Yearly expenditure in Cape Colony £30,000 to £40,000. Vessels employed, two Steam Trawlers, two Steam Liners and one Sailing Trawler.

" Trawling in this country has only had a very moderate success, owing largely to there being no reserve outlet, in the shape of a smoked fish trade, for large catches and gluts of fish. We are trying to establish a smoked and cured fish industry in this country on the same lines as in the United Kingdom. We are, however, losing money in this trade owing to keen competition from the already established over-sea trade, and also from a prejudice against Colonial goods.

" For the year 1906, 928,573 lbs. of dried fish to value of £12,961 (f.o.b.), were imported into Cape Colony, besides £100,000 worth of tinned fish. Into British South Africa there was imported £41,551 of dried fish, and £190,293 of tinned fish, in the same year.

" Of this dried fish, to the approximate value of say £50,000 (landed cost), practically, all, with the exception of herrings, can be replaced by South African fish, having same appearance and taste, but in a fresher and more wholesome condition, and at a lower price. We believe a fair substitute will also be found to replace herrings. There is enough fish in Cape waters to supply British South Africa many times over, if required.

" The whole of the value of such smoked fish would stay in the country, and all articles necessary for the preparation of smoked fish are procurable here. We at present use Colonial made boxes, Colonial salt, chips, sawdust and labour.

" The smoked fish industry in this country will not expand unless additional protection is given by increased duty on imported fish, so that imported fish can be put out of the market altogether. At present, business can only be done by making the Colonial article as nearly as possible like the imported article and selling it as such.

" Should a further duty of say 2d. per lb., be put on imported fish, we are certain that fish curing business will spring up all round the coast and supply Cape Colony and British South Africa with good, cheap smoked fish. When once the trade is fully established, say in three years, the extra duty need not be continued, the quality and price of goods would allow them to hold the market.

" The fish smoking industry, if established, would enable the trawling industry to be put on a substantial footing. The trawling industry during last few years has increased to enormous proportions in the United Kingdom, and if successful in South African waters will prove a very valuable asset to this Colony."

12615. *Mr. Kayser.*] Do you wish to add anything to your statement?- I should like to point out the important recent remarkable growth of the trawl fish industry in Britain. We might take Aberdeen. In 1887—that is, 20 years ago—there were 400 tons of trawl fish landed in Aberdeen. In 1900 there were 45,563 tons. This year there have been 90,000 tons landed, valued at over one million pounds sterling—trawl and other kinds of fish, but principally trawl.

12616. In Aberdeen alone?—Yes.

12617. *Mr. Tod.*] Does that include the herrings?—Yes. That is considerable, but not as much as the trawl, because it is only there for a month or two in the year.

12618. *Mr. Kayser.*] The total amount of fish brought into Aberdeen has increased since 1887 from 400 to 90,000 tons?—Yes. The value of the total landings in the United Kingdom is about one million pounds per month.

12619. Do you wish to make any further statement?—Nothing further.

12620. You give us some figures here of the value of fish that has been imported into the country—dried fish and tinned fish. I take it the value given is the first cost?—The f.o.b. values.

12621. You have taken those figures from the Customs returns?—Yes.

12622. And that is the cost on the other side on which wharfage has been paid?—Yes.

12623. You make a comparison to the effect that dried fish to the approximate value of, say, £50,000 landed cost could be replaced by South African fish. What would the £50,000 landed cost mean in cost at the other side?—I suppose that would mean about £20,000 to £25,000 on the other side.

12624. Say between £25,000 and £30,000. The approximate value of £25,000 could be replaced by South African fish because you must have the figures on the same basis?—Yes.

12625. You think a fair substitute could be found to replace herrings?—I mean to say there are lots of fish here which are not consumed at present, which are very good, tasty fish, and if the herring eating was discouraged these would gradually take the place. An exact substitute can be found for fillets. No one can tell the difference. You cannot tell the difference, except that the South African fillet is fresher, and therefore more wholesome. Haddocks can be replaced by gurnets, and you can hardly tell the difference as far as the taste is concerned. Why I specially mention herrings is that we have no fish of the same taste out here, but if herring eating is discouraged, or the cost raised a little, there are fish here which will gradually replace them to a certain extent.

12626. Supposing you were able to get control of the whole of this business in fish—that is, the whole value that is imported—would it be a payable industry in this country?—Yes.

12627. Of course, your market would be limited to South Africa?—Yes.

12628. You think the market of South Africa would make it a payable industry if the duty were increased?—Yes; at present prices the quantity to be handled would make it a payable industry. There would be no monopoly of the industry, because the thing can be started by a man with practically no capital. At Home there are thousands of curers with their special customers, and I think the same state of affairs would occur out here, though not to the same extent. Of course, fish curing is only a small portion of the business. We have only had four tons of cured fish per month.

12629. The smaller men would have to buy from the trawlers?—Not necessarily.

12630. Is it not a fact that this country is not a fish-eating country?—No; I think a fair amount of fish is eaten.

12631. Only in the larger towns?—The other towns are not get-atable to the same extent; the fish is not always in good condition on arriving.

12632. You think, with better facilities, there would be more trade?—Yes. I think Cape Town requires a lot of fish in proportion to the inhabitants.

12633. I bring this out because it has been brought to my notice that the great difficulty of the trawlers is that they cannot dispose of the quantity of fish they get? —Yes.

12634. Could the Railway assist you in any way?—The railway rates assist us. To Johannesburg there is a difference of about ⅜d. per pound, and to Kimberley ¼d.. but they do not help us on the coast.

12635. I was looking at it from the point of view of the disposal of fresh fish. You complain of the difficulty of getting it to the inland towns?—It is more on account of the distance and the climate. The cost is reasonable.

12636. And the conveniences supplied?—They are all right.

12637. You suggest a further duty of 2d. a pound; you want to make it 3d.?—Yes.

12638. You would not be satisfied to make it 2d.?—It would help; 2d. would be all right.

12639. Would 2d. enable you to secure the trade?—It is hard to say; 3d. would. Twopence would enable us to get some of the trade, but whether the whole of the trade, would be a matter of trial.

12640. You think it is necessary to have 3d. to have a satisfactory industry?—I think that would guarantee that we would do the whole of the trade locally.

12641. Is it absolutely necessary to have 3d. to make a sound industry?—No. I think 2d. would go a long way towards it.

12642. *Dr. Viljoen.*] Do you know the present duty?—1d. a pound on the British.

12643. You want that made 3d.?—Yes.

12644. Are you conversant with the fish industry?—Fairly.

12645. You have been brought up in it?—Yes.

12646. On the other side of the water?—Yes. My father practically started the steam trawling industry in the British Isles.

12647. You have been here since 1903?—Yes.

12648. Do you know anything about the Agulhas Bank?—Yes.

12649. Have you trawled there?—Yes,

12650. What is your opinion?—The supply of round fish seems unlimited. We have not noticed any diminution in the supplies of round fish.

12651. It can compare with the best fishing banks in the world?—Yes.

12652. Do you find any difficulty in regard to the landing facilities on the coast outside Cape Town?—In what respect?

12653. That you have no landing facilities? We have been able to get them at each port—East London, Port Elizabeth, and Cape Town.

12654. But outside that?—There is only Mossel Bay we can land at. We do not attempt to land elsewhere.

12655. Do you think it is advisable that landing facilities should be arranged for by the Government? Supposing you were fishing off the Agulhas Bank, would it not be to your advantage, in case of stress of weather, to have a landing place close by?—It would be rather difficult to get at, and would not be of use without a railway.

12656. There are large sailing boats?—Yes.

12657. Would it not be to your advantage to have places where they could run in stress of weather?—The small sailing boats have places.

12658. I speak of cutters, etc. Supposing you had a place close to Hermanus, would it be to the advantage of the fishing industry?—If there were railway communication with the place it would be cheaper to land our stuff at a place nearer the ground.

12659. You say the quantity of fish on the bank is practically inexhaustible?—As far as I know at present.

12660. And outside the bank?—The same thing applies all round the coast.

12661. Will you tell the Commission how far east the fish extend in payable quantities?—They have fish up to Durban.

12662. How far does the output of the fish extend?—You can get them all round the coast as far as Durban, but there are only certain places on which trawlers can fish. They must fish on fine-bottomed ground.

12663. It extends up the Western coast to Saldanha Bay?—Yes.

12664. So you have a very large area?—Yes.

12665. And there is no fear of your exterminating the fish?—No.

12666. Can you supply more than the requirements of the country?—Yes.

12667. If there were a market outside South Africa, would you have sufficient fish here to supply that market?—Yes.

12668. What is the quality of the fish?—Good.

12669. It is good for smoking purposes?—Yes.

12670. And tinning purposes?—We have not a highly tasty fish like salmon. I do not think there would be much tinning done. The bulk of the tinning at Home is of salmon and herrings, which we cannot replace here.

12671. You apply this also to shell fish?—I do not think the duty should be applied to tinned fish—only to dried and cured fish—because I do not think it can be replaced in this country.

12672. You want it applied to fish other than tinned fish? Yes, but not fresh fish—simply dried fish.

12673. What men do you employ—local men?—As far as possible. The men who came out in the trawlers were experienced at Home, but the deck hands and firemen and those in the smoke-houses are Colonial. The shore hands are all Colonial men.

12674. Do you find them adaptable?—Yes.

12675. Are you quite certain there are no herrings in the sea here?—We have not been able to get them yet. They may exist here.

12676. It is a fact that they can sometimes exist for years without being detected?—They may be found here.

12677. Can the harder be substituted for herring? I think not at present. It could be substituted for herrings gradually, because it can be made much cheaper.

12678. Is there a large supply?—There is a good supply.

12679. Quite sufficient for our requirements?—Yes.

12680. Is this not a fish-eating country?—It is a fish-eating country.

12681. Can you assign any reasons?—Because the climate suits.

12682. Does not that apply more to fresh fish up-country—people do not eat fresh fish up-country, because it is very difficult to get it there?—Yes.

12683. Is there not also a danger in getting fresh fish up-country of ptomaine poisoning?—I do not know of it. We have sent large quantities of fish, and have had no experience of that ourselves.

12684. That is one of the reasons for making the smoked and salted fish here in quantities, because it will replace the fresh fish?—Yes. Smoked fish can be sent to numerous centres where fresh cannot be sent, 12685. You can put smoked and salted fish in places where you could not possibly put the fresh fish?—Certainly.

12686. *Mr. Harlow.*] In reference to the prejudice against Colonial fish, how do you account for that?—I do not know exactly how to account for it, but I am sure it exists.

12687. Do you sell much smoked fish locally?—A good deal. Of course, we have only started within the last six months, and are gradually working into the market.

12688. Does your price compare favourably with the oversea?—It is cheaper. We charge 6s. 6d. for a 14-lb. box of Colonial split fish similar to Finnon haddock, and at the same place the price of the imported article is probably 8s.

12689. Have you a plant here large enough to compete with the whole of the smoked fish trade?—We have not a plant, but I guarantee my firm could in twelve months turn out sufficient smoked fish to supply the whole of British South Africa. There is another company at Mossel Bay who have a similar big plant if the fish is required. The buildings and machinery necessary for turning out smoked fish are very simple. They simply consist of large sheds and places for hanging and smoking the fish.

12690. Do you think the proposed increase of duty would debar the whole of the imported smoked fish?—I think it would gradually put the imported fish out of the market, except herrings. They would come in smaller quantities if a slightly higher price were put on, and cheaper Colonial fish would be used for the remainder.

12691. What would be the effect of a further 1d. instead of 2d.?—There would be competition between the imported and the Home article to see which would come out best. At present the imported article is established in the country, and they have the customers, and it requires a little period to get your customers. I think once we have the trade it can be kept by Colonial firms.

12692. *Mr. Tod.*] You say there is £928,000 worth of dried fish imported. Does that include kippered herrings and smoked haddocks?—Yes, and fillets. Of course, you cannot find out exactly the details of that.

12693. There is very little dried fish like ling and cod?—No. The bulk is smoked herrings, smoked haddocks, and fillets.

12694. We have nothing here to replace the kippered herrings?—No.

12695. Would you still include them?—If they could be kept out it would be all the better.

12696. You would make them eat some other fish?—No. I mean herrings at present cannot be replaced exactly in the country, but the other fish can.

12697. Are there no herrings in the waters here?—They have not been found yet.

12698. Have you tried?—We have spent a good deal of money in trying. Still, they may be found.

12699. You have an expert knowledge of fishing?—Yes.

12700. You know herrings can only be caught by a herring net on the surface?—They can be caught by seine nets and drifting nets. We brought out drifting nets nets with the ordinary Scotch herring mesh, and with a Scotch crew.

12701. You never caught anything?—We caught sharks and whales, but not herrings.

12702. What about the so-called sardine on the coast?—I am not very well acquainted with it.

12703. *Mr. Tod.*] I have seen it. It is a herring and nothing else, and it travels in shoals on the surface, and it can be caught with a drift net, but it would have to be a smaller mesh than for the ordinary herring.

12704. *Dr. Viljoen.*] That is what I call a harder.

Witness.] It is not a harder; the harder is larger.

12705. *Mr. Tod.*] Are you prepared to press the point that kippered herrings should pay the extra duty, seeing that we have not got them so far in the country or any substitute?—I would be willing to let them come in. I specially mention in my statement that they cannot be supplied here. If it is possible to let them come in cheaper and to charge for the other fish, I should say do so.

12706. Did I understand you to say you are turning out something similar to the smoked haddock?—Yes.

12707. How does it compare with the imported?—Very favourably, I think.

12708. What fish is it?—Gurnet and small kabeljauw we are using at present. I have a sample or two here [*producing same*].

12709. *Mr. Scott.*] With regard to the preferential rates, if these are done away with, what will be the effect on your industry?—It would, of course, discourage the sending of fish up to Kimberley, for instance. At present we have about ¼d. preference. If the preferential railway rate were done away with it would handicap us to that extent.

12710. It would handicap you if you lost the preferential railway rates, but an increase in duty would help you?—Yes.

12711. Could you give any idea of the number of trawlers and people that would be employed if the duty was increased?—If the whole of the trade was done I should say probably another six trawlers would be working in the country.

12712. And, of course, a corresponding number of people?—That would probably mean employment for about 300 people.

12713. Is your object in asking for the increased duty just to shut out the imported article?—It is to establish a valuable industry in the country, because the whole of the things necessary for the preparation of the fish can be bought in the country—boxes, for instance.

12714. Do you use Colonial salt?—Yes.

12715. Would there be any danger of the prices being raised? No. Competition would see that the prices were kept right.

12761. Do you dry those ling fish similar to the imported?—We have not done so yet, but it can be done.

12717. *Chairman.*] You say you are selling the fish at about 1s. 6d. less than the imported fish now?—Yes.

12718. Therefore there is not much necessity for protection? Except that it would help us to that extent. At present we cannot get the trade; there is a big prejudice* against the Colonial fish.

12719. You want protection against prejudice?*—Largely so.

12720. *Mr. Scott.*] How long would the fish keep smoked?—About ten days or a fortnight.

Furniture Manufacturing.

David Isaacs (of D. Isaacs & Co.), *Maurice Rosen*, and *Walter Hill Shepherd* (of Cleghorn & Harris, Ltd.), Furniture Manufacturers, examined on the following suggested alterations in the tariff in connection with furniture manufacturing:

	English.	Foreign.
Furniture (excepting chairs not otherwise specified) for dwelling-house, office, shop, church or school partly or completly manufactured in parts or otherwie. Shop fronts, show cases, bank, office or bar fittings. Church seating, screens, pulpits and interior fittings of wood. Coir mattresses. Mantelpieces made of wood.	25 per cent.	30 per cent.
Marble slabs for furniture	...	15 per cent.
Silvered-plate glass, bevelled	25 per cent.	30 per cent.
Billiard tables, bagatelle tables, with accessories for same	12½ per cent.	15 per cent.
Bedsteads—iron, brass, or brass and iron	12½ per cent.	15 per cent.
Carpets, linoleum and all other floor coverings	12½ per cent.	15 per cent.
Chairs—cane and wood seats, the value of which, including cases, does not exceed 60s., per dozen	10 per cent.	12½ per cent.
All woods in the rough unplaned state		3 per cent.
All woods, if planed	15 per cent.	20 per cent.
Plain sheet window glass and plate glass, silvered but not bevelled ...	3 per cent.	7½ per cent.
Embossed glass and leaded lights	25 per cent.	30 per cent.

Would suggest the following additions to the Free List at present in force, if of English make, and 3 per cent. if Foreign :—

Metal fittings used in furniture making.
Table expanders, screws for music stools.
Hinges, brass hooks, brass tubing.
Locks, keys and escutcheons.
Handles, metal plates, panels, brass movements for dressing and other glasses.
Castors and castor rings.

Material used in upholstering work.

Algerian fibre, kapoc, flock, wadding, cotton wool.
Skivers, imitation leather, moquette, saddlebags, silk and cotton plush for furniture coverings.
Upholsterer's twine, cord, scrim, canvas, webbing, buttons, studs, bindings, leather edgings, gimp.
Split cane for chairs.

Ingredients for making furniture polish and varnish.

Dry colours, shellac, burnt sienna, vandyke brown, bismuth brown, ultra marine blue, bichromate of potash, resin, spirits of turpentine, linseed oil.
Polish, varnish and finishing polish with not less than 4 ozs. shellac to the gallon.

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* Witness explains that prejudice here was meant to include the advantage the imported article has in the market through being thoroughly established.

12721. *Chairman.*] You represent the furniture industry?—*Mr. Isaacs.*] Yes.

12722. Do you wish to make any statement?—Yes, I would like to. I sent a revised list of the suggested alterations that we wanted on the Customs Tariff in connection with furniture manufacturing. I would like to mention some facts in connection with this, to give you some idea of what I found my ideas on. I have a written statement here on the matter [*reading and handing in same*]. With regard to my statement therein that the company which I represent has invested the sum of £475,000, since writing this it has been brought to my knowledge that this may be slightly misleading, because we have flooring covering, drapery, crockery and hardware, and that sort of thing. That part would not amount to more than £30,000 or £40,000 out of the £475,000, but I thought, to be quite accurate, that I should mention this. With regard to my statement as to the 27 articles for which we tendered, I do not mind making this public, but if there is any doubt on your minds about the facts of the case, you can see all the correspondence, and see that what I state here are real facts. I think that is all I need say. I should be pleased to answer any questions.

12723. *Mr. Scott.*] I think you have covered the ground very well. It is well known to the Commission that you have a very large industry, and I think the excellence of your furniture is known to every one. Do the other gentlemen in the trade agree with you?—I have approached the whole of them, and they say they have nothing further to add.

12724. Do you suffer from auction sales of cheap, imported furniture?—There is not the slightest doubt that that is keeping our trade back very much; it does great injury to the trade.

12725. Can you tell the Commission what class of furniture is imported in that manner?—It is furniture made chiefly in the East End of London, as I mention in my statement, by this sweated labour. I do not use that term in the statement, but it is chiefly sweated labour in the East End of London: they work at least ten or twelve hours or more every day for small wages.

12726. You cannot compete against that sort of business, even with the present tariff?—It is impossible. If the tariff were raised to 25 per cent., then these goods would cost so much more money, and then we could compete. We cannot afford to make that rubbishing class of goods, because it would injure our reputation we have worked for for so many years.

12727. I suppose it is mainly on the cheaper class of furniture that you complain?—Chiefly, but it affects all classes of furniture. We could compete with the other goods with the present tariff, but this extra 12½ per cent. would convince people, whereas the present price is cut so close to our own price that it does not convince them. We sent in a tender only last night for a very large order in the Transvaal, for an institution there, for many thousands of pounds. If we had this 25 per cent. duty on, instead of 12 per cent., as at present, either we should get the order or some other Colonial firm would. It is very questionable whether this order will not be sent to England. This would give work to a very large number of men for many months to come. That is the disadvantages we labour under.

12728. Is there an impression amongst private people that by importing furniture they can get it cheaper than the local article?—Not only that, but there is a prejudice against all Colonial made goods, whether furniture or anything else. I think the only way to remove the prejudice is to protect the industry.

12729. So you really want this 25 per cent. or 30 per cent. from foreign countries, just simply to knock out the imported stuff, and get a larger volume of business?—Exactly so.

12730. Have you many apprentices in your employ?—We have 30 at present. The number of our hands now is very small to what it was.

12731. Can you give us some idea of the amount of wages you pay to the apprentices?—We have at present only 132 hands in our employ. In 1903 there were 313. This is an extract from our books. We have 30 apprentices at present.

12732. Are any of these coloured?—It is very hard to know what you mean by coloured. If you mean black people, it is not many black people we have, but half-caste.

12733. Cape youths?—Yes; there are several of those, and drawing very good wages.

12734. Have you considered the preferential rates on your furniture?—Yes, but I would not press that question; if we got 25 per cent. duty we would be satisfied. Of course, we do not get it outside the Colony—that is, if the goods are sent on the railway beyond the Colony.

12735. You enjoy the preference to Kimberley?—Yes, but not Johannesburg or Bloemfontein.

12736. With regard to bevelled glass, I suppose you want the mirror glass, unbevelled, to enter free?—Yes, because they do not make it here. Why I put bevelled is to make a distinction between the two cases. There are people here who are bevelling the glass, and I do not wish to interfere with them; and therefore I allow them the 25 per cent. duty—the same protection as I ask for on the furniture.

12737. Coming to billiard tables, 12½ per cent., and 15 per cent. from foreign, are any of these made here?—No.

12738. This is merely from a revenue point of view?—I have no other object in putting that down.

12739. If it were increased to 25 per cent., would you object?—I would not object. It would not be of advantage to our industry one way or the other. If I was charged 25 per cent., I should have to charge so much more for the billiard table.

12740. Can you tell the Commission what increase it would be to the person having to furnish a small house?—It would not be any difference; I think he would gain an advantage. I feel sure we could supply the goods for very much less than our present prices with the increased turnover—the increased quantity of goods we should put through our machinery. I could put six times as many goods through really, although I say in my statement three or four times, and it would cost less in proportion than the one-sixth we are now putting through. It is beyond doubt. There is the machinery and there are the men, and they are idling about. If this Commission will only do me the honour of seeing our factory at work I shall be only too pleased for them to see for themselves, and then they can judge. It takes a long time to fit up a machine for any particular piece of wood. Even if it is only a straight wooden rail, they have to fix up the machine for it, and when that is done it takes very little time to put the stuff through. The fitting-up and unfitting of the machine takes a long time, and it would be a great saving if you could put through hundreds at once. Our low price bedroom suites we used to put through several hundreds at a time, whereas now we only put 25 or 30 through at a time; that is sufficient for our needs now.

12741. *Mr. Pyott.*] What is the duty on furniture to-day?—Twelve per cent., with 3 per cent. extra for foreign.

12742. You want to increase it to what?—Twenty-five per cent. and 30 per cent.

12743. You want to increase it by 13 per cent., with 5 per cent. difference between English and foreign?—Yes.

12744. You speak of marble slabs for furniture. You put 15 per cent. for foreign, but nothing for English?—There are no English marble slabs imported. There is marble imported, but it is all foreign marble; we could not pass it through the Customs as English, because it is foreign marble, although worked up in England.

12745. You speak of all woods in the rough, unplaned state, 3 per cent. Do you want hardwoods to come in at the same rate as ordinary deals?—We use very few deals, and that is why I have not touched on them.

12746. You are paying more than 3 per cent. on rough timber to-day, are you not?—I do not think so. I think it is all 3 per cent.

12747. You make various suggestions about further increasing the free list?—Yes.

12748. Is 25 per cent. on furniture absolutely necessary?—It should be so; it is in nearly every other British Colony.

12749. Still, you must remember the higher you build your protection walls the less revenue you will get through the Customs?—Yes, but there will be a large increase in the population, because we must have more hands to make the furniture. We look upon it that we shall have a large increase, and have as many people, perhaps, as before the war, and there was no crippled state of finances then.

12750. The point we have before us to-day is internal production?—Yes.

12751. As we have internal production the Customs are bound to suffer?—In one way, but it will be made up in another.

12752. In what way?—By a large increase in the population, and people consuming things which are imported.

12753. Is it necessary if you get the extra 13 per cent. that you should press the matter of these further materials being put on the free list?—We would like to get them, certainly; it would be a great advantage to the trade.

12754. Is there any possibility that these things will be made in the Colony at the present duty?—I cannot say that.

12755. Take varnish. I understand that is made of spirit to a considerable extent, and we are producing spirit to a considerable extent in this Colony?—Yes.

12756. You would not press the point?—Certainly not. I can tell you something with regard to that. I have lately decided that I would make all polish out here, and we have sent for all the ingredients, and amongst others we have sent for white shellac. We sent an order to Natal because we cannot do it here at the price.

12757. You mean our spirit is not suitable?—The price is not suitable. We could import methylated spirits of the strength I require for brown shellac for 2s. 6d. a gallon.

12758. There is no excise on it?—No.

12759. You would not press this point of having things free?—Certainly not, but under those circumstances I would like the ingredients for making the furniture polish—if we could get the dry colours and shellac and bismuth brown and so on. That would meet your views. That would enable us to use up the spirits of South Africa.

12760. Also with a further protection of 13 per cent.?—I think it should be done in the interests of Colonial industry generally, and in the interests of the furniture industry specially. The wine producing people would derive a benefit from this, because I have not the slightest doubt that after a time they will compete with Natal in the sale of these spirits; there is a comparatively large market for them.

12761. *Mr. Tod.*] Do you use any Colonial wood?—Nothing like the amount I used in former years, because it is much too dear. I cannot compete at all with the Colonial wood. I would very much like to use it; we used to be very large consumers of it in years gone by. We have a fair stock on hand now. We have one parcel of wood—18,000 or 20,000 feet—which has been in stock for ten years, and we are not using it; it costs too much for ordinary articles of furniture.

12762. What will be the difference in percentage?—Take stinkwood. I have been out of the market in this wood a long time, and cannot give the present price. Suppose it is 8s. By the time we use it, I assure you, there is a third loss on it—waste.

12763. You do not think we shall get the Colonial woods generally used for the manufacture of furniture?—No. It is too far away and the freight eats it up.

12764. Do you use any Colonial leather in making up your furniture?—No. We cannot get moroccos and roans. The skins are suitable, but they do not seem to be able to make them properly. We have tried them in times gone by. They have all varieties in them, and we cannot choose them. There are different shades in the same skin, instead of one definite colour—streaky or light or dark—and we have to reject them because we cannot use them. In fact the people making these say they cannot make them one defined colour. I have spoken to the people myself, and they say, "We cannot make them. We are going to give it up."

12765. You suggest skivers should come in free. What are they?—They are split sheep skins.

12766. Could we not get those in the Colony?—No; they have never made them here that I am aware of.

12767. You know we have the sheep skins?—The skivers are a trifling part; they are only used for the tops of these tables; they are not used for upholstering.

12768. *Mr. Harlow.*] On the first page of your statement you say, "25 per cent. except on chairs not otherwise specified," and so forth. Will you tell us what percentage of that material you import ready manufactured, which you put together?—We do not import a great deal; it is what other houses import.

12769. Is it not a fact that you do not make the bentwood chair?—Yes. That is why I qualify it by stating "excepting chairs not otherwise specified," and you will find down below it says, "Chairs with cane and wood seats, the value of which does not exceed 60s. per dozen." That is because we cannot make those goods, and we do not want to put 25 per cent., so that they will be a higher price to the consumer.

12770. Why do you suggest 25 per cent. on coir mattresses?—As far as that is concerned you could scratch it out. It means nothing, because there are very few coir mattresses imported. It is only when people go Home and buy a house of furniture, and the Home firms induce them to bring out the bedding and mattresses and everything appertaining to the house. Then I say they should pay 25 per cent. No person in the trade would think of importing coir mattresses, because the coir already comes in free.

12771. Coming to marble slabs, you only get 15 per cent. Is it not a fact that a great many marble slabs are polished in England?—Very few, comparatively.

12772. Is it not a fact that if a higher duty was placed on these imported marble slabs, the rough marble would be brought out and polished?—It might be. I dare-say it is.

12773. Do you think that is an industry which should be supported?—I should have no objection.

12774. You would not have an objection to this duty being raised?—No.

12775. It is not a thing which is absolutely necessary, is it?—No. It is only a small item in a suite of bedroom furniture to put a top on a washstand.

12776. You have said you do not mind a bigger tariff on billiard and bagatelle tables. They are a luxury, and those using them can afford to pay for them?—Yes. I should not object to it.

12777. You have brass and iron bedsteads at the same rate as billiard tables, and bedsteads are requisites? I would not care what they put on billiard tables. I put 12½ per cent. instead of 12 per cent. because it is more easily calculated. I should have no objecteion to the duty on billiard tables being raised, but bedsteads should not be more.

12778. If you had a small tariff placed on these things you want in the free list, would it injure your trade?—No, only it is the custom in Australia and New Zealand for the goods they cannot make to come in free, and I think you may grant the manufacturers of South Africa the same privilege as they get in other Colonies. I do not think it an unreasonable request.

12779. New Zealand, fortunately, can manufacture a great deal of this stuff, where we cannot?—I should not have any objection as far as this is concerned.

12780. It would not increase the cost to a great extent?—No.

12781. And it would not interfere with your industry?—Very little indeed. I should not offer any objection to it.

12782. Have you any objection to telling the Commission what wages you pay to fully-skilled workmen?—Not the slightest. I have come supplied with that information. The wages are as follows:—Carvers, up to 13s. a day; cabinet-makers, 7s. 6d. to 12s. 6d.—a shade lower than it was; machinists, 7s. to 11s.; wire-mattress makers, 16s.; mattress makers, 9s.; turner, 6s. we were paying from 9s. to 15s., and now we only have one turner at work, and are paying him 6s.; he was an apprentice in our employ, and is now out of his time, but we cannot pay him more, owing to the bad state of trade; machine labourers, 7s.; polishers, 5s. 6d. to 11s.; upholsterers, 8s. to 17s.; girls and women, 1s. 3d. to 5s.; packers, 4s. 6d. to 10s.; storemen, 4s. 6d. to 6s.; and drivers, 5s. to 8s. a day. The apprentices get from £1 to £5 a month.

12783. According to your list, since 1903 your wages have been reduced all round, have they not?—Yes.

12784. As a matter of fact, the cost of living has gone up since 1903?—It may have done; I daresay it has.

12785. So you are reaping a benefit from that?—We are at a loss.

12786. The workers are at a great deal more loss than you?—Unfortunately, where we were before working at a profit we are working at a loss. We would rather be paying the full rate of wages.

12787. You mention the difference in the cost of spirits from Natal and Cape Colony?—Yes.

12788. Would you mind telling the Commission the difference in the cost—say, per gallon?—We are paying 2s. 6d. a gallon for spirits. I inquired before sending to Natal, to see if I could buy it, and the best quotation I could get was, I believe, 4s. a gallon. When I was giving evidence some few weeks ago here there was the principal of Lennon and Co.—Mr. Walsh—who said he could supply me at 3s. 3d. Even so, it is better to buy it at 2s. 6d.

12789. That is what you get from Natal?—Yes.

12790. What proportion of your goods do you send to Natal?—Nothing at all.

12791. You are really exploiting the Natal people against the Cape Colony people for your own benefit?—Of course. I must buy in the cheapest market in order to be able to compete.

12792. You are not giving our local farmer any advantage at all?—I cannot help that; it is not my fault; it is his misfortune. Why is he not in the position to supply me as cheaply as Natal? I do not think any man in business, for the sake of sentiment, would give 1s. 6d. a gallon more for spirits—a matter of 60 per cent. extra. I do not think that would be business. I do not think you would find a man in this town who would do it.

12793. You mention here regarding materials for upholstering purposes, kapok?—Yes.

12794. What is that?—Some people call it vegetable fibre. It is grown in India, Japan, and China.

12795. It is possible to grow that material in South Africa?—I do not think so. I do not think the climate is suited for it. If, however, it is to be obtained here I should be very pleased to put a duty on to-day.

12796. As a matter of fact, it has been experimented with, and has been a success in South Africa. I want to come back to the matter of the leather. According to our evidence, and samples we have had produced, we get a good morocco leather, suitable for upholstering, produced in South Africa as good as we can import. You are surprised to hear that?—Yes, because I have never had it offered to me.

12797. Would you be surprised to hear that Colonial leather is being used for book-binding?—No, because they could cut it out. The difficulty is that they cannot get an even colour. A big surface must be of one shade, and if it has stains it is rejected; for book-binding they could cut out the best parts.

12798. Provided the Colonial manufacturer could produce a good article, you would take it?—Certainly; in all cases where it can be produced in the Colony I shall be a strong supporter of it.

12799. You would not object to a duty on the imported leather, provided it could be produced here?—Certainly not.

12800. *Dr. Viljoen.*] You said you buy your spirits in Natal?—Yes.

12801. Exclusively?—Almost exclusively.

12802. Why do you not buy the Cape spirits because the price is too high?—Yes.

12803. I believe you said you buy your article in the cheapest market?—Exactly.

12804. Would you have any objection to the farmer buying his article in the cheapest market?—Not at all.

12805. Why do you ask for protection? I will only say this, that if he imports the rubbishy kind of furniture he gets no benefit. He gains experience, and next time he wants furniture, perhaps he will buy Colonial furniture.

12806. Then you ask for the protection of 13 per cent. on purely philanthropic grounds—just to protect the farmer from buying bad stuff?—D. Isaacs and Co. is not a philanthropic institution; I do not wish to insinuate that for a moment.

12807. Do you not think, as a good old patriotic Colonial, that the position you take up is rather unreasonable?—No; I think I have been rather reasonable. I am quite in favour of supporting the farmer to the full extent, but I cannot afford to pay him 60 per cent. more on spirits, because I should be shut clean out of the market, and should not be able to sell my goods. My lowest quotation here was 4s.

12808. You said Mr. Walsh offered it at 3s. 3d., and even that was too high?—Yes, this did not come to my knowledge until I had ordered from Natal, and even that is equal to 30 per cent. more.

12809. The difference is 9d.—Yes.

12810. Can you tell me how many gallons of spirits you use?—I cannot. I have just got 250 gallons from Natal.

12811. How long would it last? It might last me three or four months, but I cannot say positively.

12812. For the sake of £37 10s. you leave the Colonial farmers, who are your customers, and you go to the Natal people and buy from them who do not support you to the extent of one penny. Do you think it is patriotic; do you think it is reasonable? I think it is very reasonable. I expect my customers to buy in the cheapest market; I would not ask them to give me a favour if they could buy an article of equal quality elsewhere for less money.

12813. If you expect them to buy in the cheapest market, necessarily they buy their furniture in the English market? I cannot follow that. I am not of your opinion. I am a great supporter of all Colonial products wherever they produce the article here.

12814. That is very evident from your position in regard to spirits. I will not labour the point, but must say I am disappointed? I do not think you take the right view.

12815. Is Cape spirit as good as the Natal spirit? I cannot say.

12816. You tell us the Colonial wood is too dear, which is the reason it is not used in your factory? Yes.

12817. Would not that be a reason for putting a heavier duty on imported wood, to cause you to use the Colonial?—You would have to put a heavier duty on furniture, because you must take one with the other.

12818. We want the Colonial article to be used, and therefore the natural, legitimate sequence is that we must protect the Colonial article? If you do that you will close up the trade altogether, and there will be no business in the furniture trade at all.

12819. Again I am surprised at your unsympathetic attitude to the Colonial grower. You do not want to use his wood because it costs a little more, and the same with the spirits?—I do not think you are reasonable on your part to suggest that we should pay more money just because of patriotic motives.

12820. Do you use many leaded lights in the country?—Not many.

12821. Are many used in this country? Not many.

12822. It seems to me, since it has been brought to my notice, that wherever I go I see these leaded lights?—I am speaking of them as far as the furniture is concerned.

12823. But "leaded lights" is given in your statement, and that embraces the whole thing. Are all leaded lights made in this country?—A large portion of them.

12824. It gives employment to a large number of people?—No.

12825. Are the leaded lights used in this country all made here? We will confine ourselves to your leaded lights?—A large portion.

12826. You do not import any leaded lights?—I do not think we are importing any now; we are getting them made here.

12827. These leaded lights could give employment to a large number of people?—To a few people, but not a large number.

12828. Do you benefit from the differentiation in the railway rates?—Yes, on the Colonial lines. We get a reduction of 20 per cent. on Colonial manufactures.

12829. You send a large quantity of furniture up-country?—Yes.

12830. That is, a considerable amount, because your furniture is heavy?—It is fairly or reasonably heavy.

12831. Do you want to forego that and abolish the preferential railway rate?—I have no objection. I have not asked for it. I have not referred to it. If we get the 25 per cent. I will not press the question.

12832. You are only speaking for the preferential railway rate in regard to your own industry?—Yes, not generally.

12833. You are in a position to speak for other industries and other products?—Not at all.

12834. *Mr. Kayser.*] You were good enough to tell us that in 1903 your employees were something over 300, and in 1907 they were reduced to 132. Have you any reason to account for the reduction?—I have no doubt it is due to the general slackness in trade. I do not think I can say anything else.

12835. It is not due to the Customs Tariff?—No.

12836. As a matter of fact, that has been increased since 1903?—Yes.

12837. And notwithstanding this increase, your employees have decreased very much indeed?—Yes. The small increase of duty has been of no service to us whatever.

12838. How long have you been in business in the Cape Colony?—Thirty-three years.

12839. Of course, at first you were simply trading in your own name, and now I see it is D. Isaacs and Co., Limited?—Yes.

12840. When was it floated into a limited liability concern?—In 1903.

12841. What was the tariff then?—I think 7½ per cent.

12842. Do you remember the prospectus you issued when you were floating your business into a limited liability company?—I cannot say I do. I might be able to remember anything you called my attention to.

12843. Do you remember it said there was an enormous business to be done in Colonial furniture?—It might have done so.

12844. Could you supply the Commission with a copy of that prospectus?—Certainly.

12845. My point is simply this, that the duty then was only 7½ per cent., and if I remember rightly, your prospectus was a very glowing one as to what would be forthcoming from a limited liability company. I am not prepared to say it was not justified, because there is no doubt you have done an enormous trade; but to-day you come before us asking for an increase of duty to 25 per cent., which is 17½ per cent. more than when your company was floated?—Yes.

12846. At all events, you will send a copy of the prospectus to the Commission?—Certainly.

12847. Do you remember an inquiry that was instituted—I believe in 1905—regarding the duties?—I do not think I was in the Colony at the time.

12848. You were represented?—I may have been.

12849. Do you remember giving evidence in 1883?—I cannot say I remember it.

12850. Am I right in saying you did not urge for an increased duty? You thought you were able to compete?—That was because we did not have the cheap class of furniture dumped on to this market which we have now—common furniture sent out to be sold by auction.

12851. In those days you did not have the cheap furniture which is now being dumped into South Africa?—That is really the case.

12852. That would probably account for the change in your attitude?—Yes. We would like to stop that if we could, because it is ruining the whole industry.

12853. At that time the duty was practically the same on the raw materials as on imported furniture, and you pointed out to the Commission that if the duty were taken off the raw materials you thought the whole of the furniture would be made in the Cape Colony, or a large quantity of it?—Yes.

12854. As the result of that Committee, the rate on furniture was increased to 15 per cent. You pointed out at the same time in 1885 that the business had increased. In 1905 your representative, Mr. Rothkugel, simply asked for the duty on raw material to be taken off, and said that would enable you to do all the Colonial business in furniture. Was that done?—Some of the duty was taken off, I believe I know we have had a very much higher duty on timber than there is at present.

12855. To quote Mr. Rothkugel's own words, they were that if the duty on furniture was raised to 12½ per cent. it would considerably increase the Colonial furniture industry and would be an advantage to the manufacturer. He said, "We would then be able to employ more hands and maintain wages," and at the same time he said that even then he was working at a profit, but if he got this duty he would do better?—You must bear in mind there has been a very large quantity of furniture imported into this country from oversea. If we could manage to stop the importation of that furniture we could do a very much larger trade. It would be considerably to the interests of Colonial furniture makers, because the amount of furniture imported last year was over £360,000 worth, as bad as things were, and that only represents the Home cost.

12856. Was not your object in 1905 the same as to-day?—I was not here. I do not hold the same opinion as Mr. Rothkugel on the subject. Very likely if I had been here I should have expressed myself differently.

12857. You do not hold the same opinion as you did twenty years ago?—I have not the reason for doing so now; things have altered so.

12858. Has the cost of manufacturing increased?—No. Such inferior quality goods are being sent out here for auction purposes which were never sent out before.

12859. Is that your only difficulty?—One of the difficulties, and if the duty was increased to 25 per cent., I am satisfied in my own mind that there would be a very large increase in furniture manufacturing in this Colony; there is no question about that; it must be quite clear to any man. I do not think it will cost the colonist any more to buy his furniture here; in fact it will cost him less; the more we make, the lower the price we can turn it out at. The more protection the lower the price of the furniture will come; of that I am certain.

12860. The Colonial furniture?—Yes.

12861. And the imported furniture?—They will import less.

12862. The Colonial furniture will be less in price and the imported furniture less in evidence?—Exactly.

12863. As a matter of fact you want to shut it out?—As far as possible. We do not want to do it at the cost of the colonist, but for the benefit of the industry.

12864. Your opinion has changed since 1883?—Circumstances have caused me to alter my mind since then.

12865. You cannot give me any other reason than the depression for the reduction in the number of hands you employ to-day?—Certainly. Another reason is on account of the low class of furniture which is being thrown into this country and sold by auction. That is what is injuring the trade as much as anything.

12866. To be consistent, has the importation of furniture increased or decreased since 1903?—Decreased.

12867. Has it increased or decreased in proportion to the figures you have given us there—one to three? You gave us 300 men in one case and 130 in the other. Has it increased or decreased in comparison with your own output?—Our own output has increased more. Besides the inferior furniture which has been thrown into the country, we have also had the general depression throughout South Africa to contend with. I do not say it is entirely the one thing, but the two things together have caused the falling off.

12868. As a matter of fact, but for the depression you would not have had cause for complaint?—It would not have altered the common furniture coming in.

12869. You seem to make that the chief point of your complaint?—I assure you we have cause.

12870. I may say, in fairness to you, that at that time you stated you were then using a very large proportion of Colonial wood?—Yes.

12871. You complain now that it is too dear?—Yes.

12872. Would it not be advisable, as is done in Australia, to put a duty on raw imported material?—If you do that you will increase the cost of the article, and that will close up the industry completely. If you put sufficient duty on imported wood to compel the Colonial manufacturer to buy Colonial wood then there will be little or no Colonial furniture made in this country, because the price would be so excessive that we could not possibly compete.

12873. I want to point out to you again—and as a fair man I think you will admit it—that in the time you were doing a large business you were paying a big duty on your raw material, and since it has been admitted practically free you have had a reduction in the raw material, and by re-imposing the duty then existing on raw material you would not be in a worse position?—We should be; we have greater difficulty to contend with to-day.

12874. Is timber much more expensive to-day?—It is more expensive than it was then.

12875. By how much?—I think our books will show some woods have gone up 60 per cent. to 100 per cent.

12876. As an average what has it gone up?—I should think at least 50 per cent.

12877. Have freights gone up?—I was quoting what the Colonial wood has gone up.

12878. Will you tell us how much the imported wood has gone up, if at all?—It has gone up a little. I should think it has gone up about 7½ per cent.—not more.

12879. So it has gone up about the extent of the duty that was wiped out?—Yes.

12880. The benefit of the duty has been wiped out by the increase in the timber?—Yes.

12881. So you are practically in the same position?—Yes.

12882. In other words, your raw material does not cost you more to-day?—No.

12883. Have freights gone up?—A little.

12884. Is it not a fact that you are getting freight cheaper to-day? I am talking now of lumber?—You are comparing the present time with 1903. The rate of freight to-day from America is 20s. 6d. on soft woods against 28s. 6d. on hardwood.

12885. What is the rate of freight from Canada?—I have not got that. We do not import anything direct from Canada.

12886. The rate of freight to-day on soft lumber from Canada is 18s. 9d.? That includes primage.

12887. There is no primage from America?—I have 2½ per cent. down here.

12888. I want to point out that the same rate exists for hard timber. You say 28s. 6d. Here it is in the tariff, from America 20s. Your prices are because they charge you a higher measurement. At all events, freights have not increased. Do you remember what the freights were?—I should think they were much about the same.

12889. As a matter of fact you are practically in the same position to-day? I think so.

12890. You have made some suggestions regarding the duty. Would you make any suggestions regarding the duration of any future Convention?—I do not think it would be of any service to the industry unless it was for five years at least.

12891. Your idea is that it should be for a minimum of five years?—Yes.

12892. I want to go back again to the import of furniture, because I know that no one in the country knows more about it than you do. Do you import furniture now?—A little, but not much.

12893. Can you tell us what is the percentage of the cost for importing furniture?—It is difficult. I can only say this: a suite of furniture consisting of a five-foot wardrobe and other articles, and the cost of it from England is 43⅓ per cent., including everything. They vary so much according to the price. Here is a 3 ft. 6 in. bedroom suite costing 56 per cent., and another bedroom suite invoiced at £35 13s. cost 45 per cent. That is bedroom furniture. Then there is a sideboard costing 45 per cent., and then another larger sideboard which cost a little more money, and that is the same percentage exactly. Then there is a small drawing-room suite. The Home cost of it is £12 1s. and the import charges are 66 per cent.

12894. That is a low cost article?—Yes. Of course drawing-room suites are very bulky, and that is why the percentage is very much more. Another drawing-room suite cost 61 per cent. That is all I have.

12895. The average there is over 50 per cent.?—Yes.

12896. From which there must naturally be deducted the duty in order to get the actual import charges?—Yes.

12897. It is only fair also to say that in giving these different percentages it is to point out from your point of view that the cheaper the article the higher the cost of importing?—I will not say that, because it all depends on the way the articles are packed. They may be "knocked down," and then they come at a very small cost. Many of these common goods will pack into one another and thus come out very much cheaper.

12898. From what part of the world does the knocked down furniture principally come?—All parts—America and also England.

12899. Does that apply to the common suites also—that they are made in England?—Yes.

12900. At all events, the average cost of import is something over 50 per cent. on the figures you have given us?—Yes.

12901. What is the freight on furniture?—33s. 10d., including primage.

12902. Does not the better class furniture come at a higher rate?—No.

12903. It comes out at second-class rate?—Yes. It is 30s. plus 22½ per cent.

12904. With regard to this suggested duty of 25 per cent. and 30 per cent. on church seatings, screens, pulpits and interior fittings of wood, how do you justify that?—That would not cost the amount of money you reckon on furniture, because it is all flat when made in England.

12905. I am questioning the mere fact of asking for a duty on church furniture?—I do not see any reason why they should save any advantage over anybody else.

12906. Is it not a fact that from time immemorial that class of import has come in free?—I could not say that.

12907. Can you tell me of any time in the previous history of Cape Colony when a duty has been imposed on that class of goods?—Do you not think we should place the manufacturers on as favourable a footing as any of the other Colonies.

12908. Is not that concession made in other Colonies?—I do not know; I I may say the other centres have done the same; in fact you all appear to be working on the same lines?—I have not worked on the same lines, because I have should not think so.

12909. As a matter of fact, church seating to-day does pay a duty of 15 per cent. Still, you think these institutions should pay their share of the duty; you are not prepared to make any special concession in their case?—No. I do not think they will have to pay more for their goods. We have done a large quantity of church seating, and it is only the cheaper kind that is imported as a rule.

12910. Why have you put in billiard tables at 12½ per cent. and 15 per cent.? altered a lot of the things to what the other places have done. I have acted entirely off my own bat.

12911. Why have you suggested these at 12 per cent. and 15 per cent.?—I thought you would like to know my view on the subject because other houses have mentioned it. I think we should not have a reduction, and I would offer no objection to an increased tariff on that particular line, because we are not making them here. If you put 40 per cent. on that line we will start making them to-morrow.

12912. In suggesting a duty of 25 per cent. on ordinary furniture, why do you specially exempt billiard tables, and not make them 25 per cent.?—For the simple reason that we are not making, and cannot very reasonably make these things here. If the Government allowed 25 per cent. on billiard tables we could not make them here. It would be rather unreasonable to ask for 40 per cent., and we do not do that.

12913. You do not think, being an article of luxury, if it is justifiable to put a duty of 25 per cent. on furniture, billiard tables should bear the same duty?—I should have no objection. I think it is a reasonable rate. It does not affect me in the least.

12914. Turning to the chairs, you specially exempt chairs with cane and wood seats, the value of which does not exceed 60s. per dozen. Would not that lead people to send out frames of better quality chairs with some cane put over them?—It says under 60s. per dozen, so it would not affect us in the least.

12915. Why do you reduce the duty on glass?—It is an article we use in the manufacture of furniture. They cannot make it here.

12916. Notwithstanding the fact that you ask for an increased protection by an *ad valorem* duty, you ask for further protection by the reduction of the duty on these articles?—It is the raw material. It means the things will cost so much less to make.

12917. In regard to fittings used in furniture making, why do you suggest they should come under the free list?—Being raw material.

12918. Is that done in other countries?—I think so. I think it is so in Australia.

12919. Have you looked into the matter?—Yes. I think you will find on their free list there are certain goods unmanufactured.

12920. These are manufactured—iron fittings, screws for example?—They are only used for the manufacture of furniture.

12921. Are brass screws only used for the manufacture of furniture?—No; some class with hooks are used for kitchen and other purposes.

12922. And brass tubing?—We only want it for manufacturing purposes, and not to sell.

12923. If you imported those goods you would not specify which you imported for manufacturing purposes. How would you expect the Customs to discriminate?—Supposing we got brass tubing for manufacturing purposes, and then sold it to someone for other purposes, because we could sell it cheaper than the ironmongers, and the Government found it out, would not we be brought up for fraud?

12924. Suppose they did not find it out?—Would a reputable house lay itself out for such a charge?

12925. Can any importer say when he imports them to whom he will sell them? I would not use them for any other purpose.

12926. Would you reserve that for furniture manufacture only?—Brass tubing would have to be used for the manufactory; it is not complete of itself. It is true they could use it for picture rods.

12927. And shop fittings, on which some manufacturers would ask for a duty of 40 per cent. I ask you, as a reasonable business man, is this suggestion of yours feasible? I think the objection you raise would apply to many articles already on the free list.

12928. I agree with you. I think they should be removed? If you charge duty on all the material used for making furniture because it is not furniture then you will shut out the Colonial manufacturer altogether.

12929. Even with the duty of 25 per cent. and a protection on the freight of 30s. per ton?—It would not be of any service to us.

12930. I wish to point out that you have made a grievous mistake in your evidence in saying that the Australian tariff brings these things in free?—I said if you referred to the free list you would find certain of those articles, pertaining to furniture.

12931. Such as?—I do not know; I cannot say.

12932. Are we to understand you have made the statement without examining the tariff? You made a general statement?—I have not got it at my fingers' ends, but I think you will find in the Australian tariff free list certain articles used in making furniture.

12933. I have here the latest Australian Tariff. The first item is manufactures of metal, which covers all the articles mentioned in this clause of yours. The duty is 30 per cent.?—You are putting us on a par with Australia when we have not these manufactories here.

12934. You mentioned Australia. I want to show you that even in protection they are reasonable as regards the importing of goods. Now do you know the duty on glass in Australia?—It does not apply to us.

12935. It does, because you ask for glass to be admitted duty free into South Africa?—The two do not coincide with each other: they have glass manufactories and we have not.

12936. The duty on glass is 30 per cent.?—It would not astonish me if it was 40 per cent.; it will be before long.

12937. On polished and plate glass there is a special duty of 11s. per hundred feet. On all glassware there is another special duty of 2s. 6d.—embossed etchings and so on. For marble, wrought and unwrought, there is a duty of 20 per cent. On wood there is also a very heavy duty in Australia? I should think there would be, because they have plenty of wood in different parts of the country.

12938. Notwithstanding the fact that they do not manufacture the veneer, they charge 3s. per hundred feet for it. Do you know the duty on furniture?—I believe it will be 40 per cent.

12939. But then they tax the other goods to the extent of 25 per cent., which means a difference of 15 per cent., which is our duty to-day?—I cannot follow you there. If one is 40 per cent. and the other 25 per cent., the difference is not 15 per cent., because you are only deducting 15 per cent. for the raw material, whereas if you are taking it over the 40 per cent. it will amount to very little.

12940. They put 25 per cent. on leather required for furniture manufacturing?—They make it.

12941. Do you know the duty on fibre is 25 per cent.?—They must make it, or have a substitute for it.

12942. Twines are 25 per cent., the very article you mention?—Silk is free.

12943. Certain silk is. With regard to the dumping of furniture, it is only fair to tell you that in other centres we have been to we have had this difficulty brought before us. You have made a special point that this is your main object in asking for this increased duty. Would it meet the matter if some special duty could be imposed on such articles sent out to this country for that purposie?—It would not meet the whole of our grievance. We have other things besides that, That is only one of many.

12944. You would not be content to have the special dumping of cheap furniture arranged for in some special way?—No.

12945. You consider you must have the 25 per cent.?—Yes.

12946. *Dr. Viljoen.*] With reference to the sale of this cheap furniture here by auction, can you suggest any other means, except the increased tariff, to stop this sale?—I can not suggest any other means.

12947. *Mr. Scott.*] I think in all fairness to you it should be known that you at one time did a lot in Colonial timber?—We brought it to the front. It is the landed cost we cannot meet.

12948. Do the other two witnesses agree with you that the price of imported timber has only gone up 7½ per cent.?—I was only taking the rough line. Rough mahogany has gone up 7½ per cent. and walnut about the same. I cannot speak of builders' wood; I am only talking of cabinet-makers' wood.

12949. Take basswood, poplar, mahogany, etc.?—*Mr. Rosen.*] There has been an increase of 7½ per cent. to 15 per cent., which would be a fair average. *Mr. Isaacs.*] Oak has gone up more.

William Miller, Basket and Madeira Furniture Manufacturer, examined.

12950. *Chairman.*] What do you wish to state?—I think the duty should be taken off willows. They should be imported duty free, the same as bamboo; 25 per cent. should be put on all basketware and Madeira chairs, also on cane prepared for chair seats.

12951. *Mr. Kayser.*] What is the duty at present?—12 per cent. on willows from British Dominions and 15 per cent. foreign.

12952. Fifteen per cent. on Madeira chairs?—Yes.

12953. What is the freight on Madeira chairs?—About 65 per cent. to land in Cape Town.

12954. Duty and charges and freight amount to 65 per cent.?—Yes.

12955. Do you not think that is sufficient protection?—Scarcely. Madeira chairs are booked at a very low price.

12956. Cannot you compete to-day as far as the prices are concerned?—Hardly.

12957. Do you mean you cannot make a good profit?—I suppose that has something to do with it.

12958. You make a small profit?—Yes.

12959. But not a good profit?—Not sufficient.

12960. Is that because the industry is small?—Partly. It could be worked up to a very good industry if times improved.

12961. Is there much Madeira furniture being imported just now?—I should think about a thousand a year, roughly speaking.

12962. How many hands do you employ?—Altogether about 13.

12963. How many have you to-day?—Seven.

12964. White?—Four white and three coloured.

12965. And the total imports are about a thousand a year?—That is into the Colony.

12966. I take it as you ask for the willows to come in duty free that is the only article you use?—The most we use are rattans canes but the last few years we have been doing a very good business in wicker chairs.

12967. And then you require willow?—Yes.

12968. You ask for the duty on willow to be reduced to the same as rattans—landed practically free?—Yes.

12969. Would it not be sufficient if you got that alone?—Perhaps, but at the same time I think for the good of the Colony 25 per cent. should be put on wickerwork all round.

12970. For the good of the Colony?—I think so.

12971. And your good also?—Yes.

12972. They would have to pay a little more for their chairs?—But something has to be done for South Africa

12973. People would have to pay a little more for their chairs?—Not so much more. You can get a good chair for about 8s. 6d.

12974. You consider the few people employed would do more good than the extra duty paid?—In England there are some 5,000 men employed earning a decent living.

12975. How does the population of London compare with South Africa?—In South Africa there are not a hundred and there should be at least a thousand.

12976. How does the population of Cape Town compare with London?—That does not matter. Look at the large country.

12977. Shall you export chairs?—We are not sure, but we have done.

12978. Where to?—To St. Helena, Natal and to the Northern Colonies. We ought to be able to export.

12979. With regard to the Government competition, do you not think it is a rather good thing on the part of the Government to teach these young people who have to be sent to the Reformatory some trade?—In one sense it is, but in another it is not.

12980. I quite see you would have to suffer, but some of us would have to suffer for the good of the country?—I think they should be taught farming, or the goods sold by auction.

12981. We would have everyone complaining that the Government were dumping the goods; we are hearing it all over the place?—It is scarcely fair for the Government to compete with our industry. Take cabinet-making. The cabinet-maker is stronger than our industry.

12982. Do you think box-making would be a good line to take up?—Yes.

12983. Anything but your own industry?—Box-making is only one branch in wood-cutting. The boys should not be left to the one line. I leave it for you to decide.

12984. *Mr. Harlow.*] Will you tell us what rattanware is?—Japanese chairs and sofas and such like things articles made from cane. Rattan is another name for cane.

12985. Is there any willow at all grown in this Colony?—Yes, I think there is at Lovedale.

12986. Is there none grown nearer Cape Town than that?—In small quantities, but it is practically no use. I think the atmosphere here is too dry. I have tried to grow a little at Lakeside, but the soil seems too dry. I am told they grow very well at Ceres, but I cannot say for certain. At Lovedale they will grow about ten feet high in one year.

12987. What do you suggest for the boys at Porter Reformatory instead of doing this work?—Grow willows, and arrange for the manufacturers to take over the willows.

12988. You mean the youngsters should be put on the land?—I think so. The Government might take over a large farm of perhaps a thousand acres.

12989. Do not you think it would meet the case provided the Government sold at the same rate as you sell at?—No, I do not. I think the Government should stop altogether from competing with local manufacturers.

12990. You have four white men and three coloured?—Yes.

12991. What rate of wages do you pay these men?—A man British born £3 a week and £2 to Portuguese.

12992. You have Portuguese?—Yes.

12993. Do you class them as white men?—Yes, but scarcely the same as Englishmen—£2 and £2 10s. It is piece work—so much for what is done.

12994. You are asking for 25 per cent.—a further 10 per cent. Would that increase the cost to the consumer at all?—I do not think so. It would be scarcely affected.

12995. As a matter of fact it would not be much more than 6d. per chair?—A chair costing 6s. at Madeira would be 7s. 6d.

12996. *Mr. Pyott.*] What about the freight; how much would that be?—Another 3s. 6d.

12997. *Mr. Tod.*] What do you think is the best way of encouraging the growing of willows in the Colony? You suggest they should come in duty free?—Until such times as they can be grown in the Colony.

12998. Do you not think the same argument might apply with the manufacturer's articles—not to put on the duty until they are made in the Colony?—It will be a long time to come.

12999. The difficulty we have is that manufacturers say a principle is good for their particular industry, but they do not like it to apply to others?—Naturally every man must look after his own interests.

13000. Candidly, you do not care about the grower of the willows?—I do not say that. I wish the good of the country too.

13001. It would be a good thing if we grew all the willows required?—Yes.

13002. That would be a Colonial product?—Yes.

13003. Would it be good to have a duty on the willows and a higher duty on the manufactured articles?—No. I think the willows should be duty free for the present. I had a letter from the Forests Department, who have been growing the willows. They had not sufficient for their own purpose.

13004. Is there a prospect of their being grown?—I think so.

13005. You think they require no protective duty; they are getting along without it?—I think so.

13006. You do not think you could manufacture the chairs without the duty?—Yes, we could, but I think it would be to the benefit of the trade as a whole to have the duty.

13007. For revenue purposes?—It would be a great advantage. We could feel we were doing the white people a benefit, whereas at present it is a particularly poor trade.

13008. You think 25 per cent. is the lowest duty you could work under?—About 25 per cent.

13009. You are working to-day on 15 per cent.?—Yes.

13010. Do you make the same class of work as Madeira chairs?—I think rather superior to the old Madeira chair.

13011. *Mr. Pyott.*] You say on a chair costing 6s. your duty would be 1s. to-day?—About that.

13012. And the freight would be how much—3s. 6d. a chair?—About 3s. 6d.

13013. That brings it up to 10s. 6d. a chair. You do not think you could make them at that? Yes, but some we make as high as 40s. and some as low as 7s. 6d.

13014. The 10 per cent. would be another 7d. per chair protection?—About that.

13015. Would that increase the price of the chair to the consumer?—Not in the least.

13016. Speaking of Tokai, does the Government pay any duty on the willows, or do they use any?—They use some. I should think they would be duty free, but I do not know.

13017. They bring themselves into competition with you?—I do not say they do wilfully, but it injures the trade.

13018. You raised this difficulty some time ago and you complained that the Government undersold you?—Not intentionally, but it was done. Bottle baskets we sold at 9s. they sold at 7s. 6d.

13019. Made by convict labour?—Or Reformatory labour.

13020. Can you tell us what we must do with the Reformatory boys if they do not make baskets? You must teach them some trade. You could not make them all tailors?—You could make 15 per cent. or 20 per cent. of them tailors, 10 per cent. box-makers, and 5 per cent. basket-makers and it would not be felt.

13021. You could not make those boys box-makers?—I would say farm servants.

13022. *Mr. Scott.*] Do they make the basket chairs at Tokai?—Not so far.

13023. It is the baskets you complain of being made in the Reformatory?—Yes.

Milling Flour, and the Manufacture of Oatmeal, &c.

John George Wood (of the South African Milling Co.), and *Mathias Theodor Thesen* (of Thesen & Co., Ltd., Shipowners and Millers), examined.

13024. *Chairman.*] You represent the milling industry?—*Mr. Wood.*] Yes.

13025. Do you wish to make any addition to your written statement?—I have not sent in a statement, personally.

13026. It is from Thesen & Co.?—*Mr. Thesen.*] Yes. I have nothing further to add to that. Statement referred to:—

DUTY ON FLOUR.

We are of the opinion that if the Duty on Flour was increased to 3s. per 100 lbs. with a rebate of 3d. to British Colonies, it would tend to reduce the large importations and keep all the Milling concerns going, in which large sums of money have been invested and which employ a large number of skilled and unskilled workmen. It will also induce the Wheat-growing Districts to grow more Wheat for the reason that the larger the buying capacity of the Millers, the firmer the prices will be and the greater the consumption of the Colonial article, especially for the Northern trade with the preferential railway rates now in force. This applies chiefly to the Western Province Millers, where the greatest supply of Colonial Wheat is obtainable.

13027. You want the duty on flour increased?—*Mr. Wood.*] As a matter of fact our company, I think, is prepared to work under the present tariff if the duties on wheat are continued the same.

13028. And the preferential railway rates continued?—Yes.

13029. That is the most important part?—Yes.

13030. The only difficulty so far has been the dumping of flour?—It is a point to be considered as to whether some means of overcoming this could not be arrived at.

13031. Have you anything to suggest?—I cannot say that I have.

13032. *Mr. Scott.*] I suppose, Mr. Thesen, your mill is in the Western Province?—*Mr. Thesen.*] Yes; at the Paarl.

13033. Does the dumping of the foreign flour affect your mill?—Yes, to a very great extent.

13034. To what extent?—If the duties were increased from 6d. to 9d. it would make all the difference—say 3s. duty instead of 2s. 6d.

13035. Where does this dumped flour come from?—The greater portion from Australia and some from Canada.

13036. How is the Australian miller able to export his flour to here?—He pays freights and charges on the manufactured article, whereas we have to pay on the waste and offal. I do not know any other reason.

13037. Has his plant more to do than yours?—I do not think so. Our flour manufactured here is as good as any imported, if not better.

13038. You are not in a position to state whether he is in a better position than you are?—Maybe he is able to mill it first-hand.

13039. How many hours do you work your mill?—Only twelve hours, instead of the twenty-four.

13040. If you worked 24 hours would it help you to compete against the foreign flour?—Yes, it would. That would not stop the dumping altogether.

13041. Do you mill the Colonial wheat?—Yes, as much as we are able to buy. The season is a very short one.

13042. Is the wheat produced in the Western Province?—Yes.

13043. And is it equal to the imported wheat?—In strength it is—better in fact.

13044. But your difficulty is you have not enough of it at present?—There is not enough.

13045. But if the wheat supply increases then you will be in a better position?—Yes, we would be.

13046. Meanwhile you are just afraid of this dumping?—Not afraid—we are certain of it.

13047. It affects you?—Yes.

13048. Has it any effect on the farmer as regards growing the wheat?—I think it would have an effect.

13049. Do you think if you keep out the imported flour it encourages the farmer to grow more wheat?—The local buying capacity would be greater, because the millers would be turning out more stuff and anxious to get more local wheat.

13050. I suppose the matter of consumption affects you? There are not so many people in the country at the present time?—Yes.

13051. I suppose that has something to do with your position?—Yes, to some extent, but not when you look at the large quantities imported.

13052. Generally I think we have not been asked for any increase?—That is from the Eastern Province. It does not affect them so much. That is not a wheat growing territory.

13053. The wheat grows principally in the West?—Yes; Colonial wheat is grown in the West.

13054. If you raise the duty on the flour will it not have some little effect on the price of the bread?—No, I do not think so. Some time ago they reduced the duty on flour, and there was no reduction in the price of the bread to the consumer.

13055. There have been increases lately, and it has affected the bread?—Yes.

13056. Is your mill a large one?—We would not call it a large one.

13057. Is it quite up to date?—Yes.

13058. Equal to the other mills in the town here?—Perhaps, with one or two exceptions; they have bigger plants.

13059. You complain principally of the dumping?—Yes.

13060. Can you suggest anything to prevent that without the raising of the tariff?—No.

13061. *Mr. Pyott.*] The only point you have in suggesting the higher duty is to compete with the dumping?—That is the principal reason.

13062. Do you press that point?—I know we are in the minority. We are affected in this way, that Port Elizabeth is selling cheaper than we are.

13063. Would you still press the point of the 6d. advance, because if so we shall want your reasons for so doing?—When we made this suggestion it was more to compete in the Northern trade—to get our Colonial products up there in competition with the other ports.

13064. You do not make this a reservation in case the preferential railway rate is taken away?—No.

13065. That is independent of whether the preferential railway rate is maintained or taken away?—It would affect us considerably if the preferential railway rate was taken away; in fact we would not be able to mill.

13066. Would you still press this point?—Yes, I think we ought to.

13067. To-day you are paying a duty on wheat of 1s.?—Yes.

13068. And flour 2s. 3d., leaving a margin between wheat and flour of 1s. 3d.?—Yes.

13069. How much wheat does it take to produce 100 lbs. of flour?—There is an offal of about 22 to 25 per cent. It depends on what you are milling.

13070. What is your loss in importation between the invoice weight in Australia and the delivery weight here?—It varies considerably. We have had it as much as 2 per cent. and at other times under 1 per cent.

13071. You lose a considerable amount in cleaning?—We reckon we waste 4 per cent., if I remember rightly.

13072. On an average?—Yes.

13073. And in milling?—I have not that before me now; I cannot give it.

13074. Would this increase of 6d. in the duty on flour mean an increase in the price of bread?—No, I do not think so.

13075. Can you tell me how much advance there should be for an increase in the price of bread of, say, ½d. per pound?—I could not give you that.

13076. You do not know the practical baking part?—No.

13077. *Mr. Tod.*] Do you buy much Colonial wheat?—As much as we can get. The unfortunate part is you have to buy it in the first three months of the year, which requires a good deal of capital.

13078. Does the preferential railway rate affect you much?—Yes; it enables us to compete in the Northern trade.

13079. Do you grind the South African wheat and flour without mixing it with other wheat?—Most decidedly.

13080. And that gets sent up at the lower rate?—Yes.

13081. Does that mean you give a better price to the farmer than you would otherwise be able to do?—Yes.

13082. You think the farmer gets the whole of the benefit of the preferential railway rate?—Practically.

13083. You are aware there is a considerable agitation against the preferential railway rate, are you not?—Yes.

13084. That most of the inland places object to that?—Yes.

13085. Are you in favour of its being done away with?—No.

13086. Why should it not be done away with?—As soon as that is done it will curtail production.

13087. Does it not place the consumer at Kimberley, who has to use imported wheat, at a disadvantage?—He would be at a slight disadvantage, I daresay.

13088. Do you think that is fair? Do you not think that if it is necessary to protect the product the protection should be through the Customs alone?—It would do that way.

13089. What increase in the duty would you consider necessary to compensate for the advantage of the preferential railway rate?—It would have to be increased by at least 1s. to 1s. 3d. per hundred pounds on wheat.

13090. Taking Kimberley as a point, it seems to make a difference of 8d. per hundred pounds?—I think it would be a little more than that.

13091. You have worked it out?—I have not the figures before me.

13092. You think if the preferential railway rates are done away with they should be made up with an increase in the Customs duties?—Yes, or the farmer would suffer.

13093. Do you consider the present difference between wheat and flour is sufficient?—No; we think there should be an increase on flour.

13094. *Mr. Harlow.*] You say you want an increase of 6d. per hundred pounds. It is 2s. 6d. now and you want to raise it to 3s.—Yes.

13095. You think it will stop the dumping?—We think it will assist in stopping it.

13096. It will not stop it?—I cannot say it will actually stop it. I think to stop it entirely you would have to do a great deal more.

13097. If you get 6d. per hundred pounds levied would you charge that extra 6d. to the baker?—That all depends. It will be in the first instance, but it is just possible competition will bring it down again.

13098. If you put 6d. per hundred pounds on flour coming into the Colony, you cannot produce that flour here now, can you?—We are producing at a price, but our price will not compete with the imported.

13099. Therefore you would increase the cost of the flour to the baker?—I expect we would.

13100. And naturally it would raise the cost of bread to the consumer?—I do not think the 6d. per hundred pounds would; it is too small an amount.

13101. Will you tell the Commission, to an approximate percentage, the amount of South African flour or wheat you use compared with the imported?—Last season we used about 50 per cent. of South African wheat.

13102. Does that embody the whole of the mills in the Western Province, or is it only your personal experience?—I am only answering for ourselves.

13103. You are not answering for the Cape Town mills?—No.

13104. Do you know if they receive any Colonial wheat?—They have done.

13105. You could not say to what percentage?—No.

13106. You have just said it would benefit the farmer to raise this by 6d. What authority have you for saying that?—There would be keener competition, the mills would be of bigger capacity, and would buy more, and they would take all the farmer could produce.

13107. Supposing you got this, do you think the local farmer of the Western Province would produce more wheat than he is doing at the present time?—I am not prepared to answer that.

13108. You have just now said he would?—I am not quite sure on that point.

13109. Really you do not know whether he will or will not?—It depends on the farmer; it will be an encouragement for him to grow more.

13110. Do you think there is any probability of its taking effect?—I think the inclination to-day is to grow more.

13111. Is it not a fact that the inclination in the Western Province is to grow oats in preference to wheat?—In certain districts it is. It depends on the market value to a great extent.

13112. As a matter of fact they are exporting oats?—Yes.

13113. Do you think wheat can be grown in the place of oats?—No, I do not think so in every instance.

13114. Do you think any percentage of it could?—I think the wheat production could be encouraged.

13115. As a consumer of wheat, have you taken any steps towards assisting the farmer in producing a good wheat for this Colony?—I cannot say that we have directly.

13116. You know what the great trouble is with wheat-growing—rust?—Yes.

13117. And you have not taken any steps at all to try to assist the farmer in getting a good wheat?—No; but three years ago we did not use the Rietti wheat because our appliances did not suit, and since then we have put in the necessary plant.

13118. Is the flour the product of the South African wheat as good as the imported?—In strength it is.

13119. In quality and so forth?—In colour it is not. The Western Province flour is not liked on account of its colour; at least there is a preference given to the imported.

13120. It is as good as far as the nutriment is concerned?—Taking the average, we consider it is better than the pure Australian.

13121. Does the consumer think so?—We have no complaints about it.

13122. You have already said you do not think it would raise the price to the consumer?—Yes.

13123. *Dr. Viljoen.*] You represent a very large milling company, Mr. Wood? —*Mr. Wood.*] Yes.

13124. And a very old milling company?—Yes.

13125. You have a very large turnover?—We have.

13126. In your experience has the wheat production of the Western Province—which we are confining ourselves to now—made any material advance in late years? —The quantity of wheat has increased every year since the war.

13127. You are well acquainted with the Western Province?—Yes.

13128. Do you think there is any potentiality of increasing the wheat supply? —Yes, certainly.

13129. Do you know the Caledon district?—I have been there, but do not know it well.

13130. Have you inquired whether it could produce good wheat?—I know it could produce a good deal more.

13131. Do you know the reason they do not produce in large quantities?—I take it it has been climatic influences the last few years. Last year they had fairly good rains.

13132. A formidable factor is the difficulty of getting it to the railway. I am speaking of the portion of the Caledon district beyond Caledon. Do you know that is the undeveloped granary of the Western Province?—They could grow a great deal more.

13133. Are you of opinion that the farmer is anxious to produce more?—I certainly think so.

13134. Do you consider now, as a business man, that with a little encouragement —that is with a little higher tariff—he would produce still more?—I think it would have that tendency.

13135. Leave the tremendous rise in flour and wheat which has taken place recently. Previous to that there has often been a fluctuation in the price of flour and wheat of 1s. or 2s. on a bag?—Yes.

13136. It would rise 2s. and fall again?—Yes.

13137. When it went up 2s.—before the present big increase—did it make any increase in the price of bread?—No.

13138. The price of bread remained the same?—Yes.

13139. Under normal conditions—the present being abnormal conditions—if the price of wheat was increased by 1s. a bag would it make any alteration in the price of the bread?—I do not think so.

13140. You do not think it will make any alteration to the loaf?—I mean to say it will not make any increase in the matter of baker's bread.

13141. You had no communication with the evidence taken in the Eastern Province?—I have seen what was in the papers.

13142. Was this evidence in the paper?—Not this particular evidence.

13143. So you had no communication with the people in the East? I will tell you that the evidence you give—that there will be no alteration in the price of the loaf—is exactly what we heard at Port Elizabeth, King Williamstown and East London—that 1s. more on a bag of flour is not going to make the loaf dearer—and that would also be in accordance with the previous experience?—Yes—what has happened.

13144. Have you bought any of the later wheats which have been put in—the Darling and Glewas wheats?—We have not so far, but in all probability we shall do. They are only just coming into the market; this is the first season of Glewas wheat.

13145. Have you inquired whether it is good?—I have seen samples. I do not consider it a very good wheat from the miller's point of view.

13146. In Port Elizabeth the milling company there got out a quantity of seed wheat for distribution amongst farmers. Have you done that in the Western Province too?—Yes, we have done it.

13147. The South African Milling Company have done it here?—Yes. Unfortunately, we have generally lost money on it.

13148. Do you think the farmers availed themselves of it?—To a certain extent only.

13149. Can you tell me the kind of wheat you have distributed —We have had Riettie so far.

13150. It is grown very largely now?—Yes.

13151. It is one of our most reliable wheats now, on account of its rust-resisting properties?—Yes.

13152. You benefit by the differentiation on the railways?—The Western Province wheat industry benefits by it.

13153. Do you think by taking away the present differentiation on the wheat they are going to inflict a serious injury on the farmer?—I certainly think it would affect the farmer.

13154. Considerably?—To some extent.

13155. The greater part of the wheat produced by the farmer in the Western Province goes North?—Yes.

13156. You send it North on account of the railway differentiation?—Yes.

13157. If you take away the differentiation on the railways the wheat farmer will be placed in the same position as the imported article, and will not get the benefit of the Northern trade?—That is so.

13158. *Mr. Kayser.*] On the question of its affecting the farmer if the present preferences on the railway were taken off, in what way would it affect him?—In this way, that it would bring the ports more in connection with the up-country trade, and the Colonial wheat would not be so much in demand.

13159. I understand that in the North, but would not the farmer in the West get the benefit of the Cape Town markets? Would it not mean a reduction of the imports of wheat into Cape Town?—It might be so, but the farmer would probably get a lower price.

13160. Do you pay a higher price for the Colonial wheat than the cost to you of the imported wheat?—Yes.

13161. How much?—The prices vary, but last season I should say we paid 1s. to 1s. 6d. a bag more for Colonial wheat than we did for imported. Of course the price has varied more on imported wheat, taking the average of the year, than on the Colonial, because the whole of the Colonial was bought in three months of the year.

13162. Do you make any difference in the price of your flour made from Colonial wheat up North?—Yes, to about the extent that we pay the farmer extra—or at least a little more, because 100 lbs. of wheat does not give 100 lbs. of flour.

13163. What is the amount of the preference, Mr. Thesen, between Cape Town and Kimberley on flour?—*Mr. Thesen.*] 40s. 5d.

13164. That is 2s. a bag?—Yes.

13165. So that to a certain extent the miller gets some benefit out of that, or does the consumer up-country get it?—The miller does not get it. We sell the Colonial article at Kimberley to compete with the imported article from Port Elizabeth.

13166. Do you know the rate from Port Elizabeth to Kimberley on the imported article? It is 56s. 4d. a ton, whereas your rate from Cape Town on the Colonial article is only 32s. 10d., or 24s. per ton in your favour—over 1s. a bag. In the face of that marked difference, do you still think you are justified in asking for 6d. a hundred pounds more on flour?—Yes. It is more against dumping.

13167. Do you know what proportion in value was imported, as between flour and wheat, into Cape Town during the last nine months?—No.

13168. The figures were £199,144 wheat, £9,360 flour, showing only 5 per cent. in value of flour was imported. For the sake of that you ask for this additional duty?—We have to sell at that price to compete with the imported article.

13169. Surely 5 per cent. of imports would not affect the bulk. Can you tell me where that £199,000 worth of wheat is sold when it comes into Cape Town?—As far as Beaufort West, it may be a little further.

13170. It shows very clearly that the import of flour is very small, and it only affects you in Cape Town. The whole of that flour must be sold in the city of Cape Town?—No; a good deal goes by rail.

13171. At all events, those figures are startling. Mr. Pyott very rightly pointed out that in other parts there is a larger quantity. We have had this dumping business before us, and it was certainly more acute in other towns than here—particularly East London. The total imports of wheat into the Colony amounted to £630,000, as against £96,000 worth of flour. Do you not think the fact of its being possible to import flour against you will have a salutary effect in keeping your price a reasonable one to the consumer?—I do not think so.

13172. Will it not have any effect on your price?—Local competition will keep the price down.

13173. You are asking specially for the extra protection because of the dumping. You do not think the imported article will have an effect of keeping the price down?—*Mr. Wood.*] I do not think it really makes a great deal of difference.

13174. Why then ask for protection against it?—We have our mills here and they are only running twelve hours, and if we had not that imported flour to deal with we could run longer.

13175. Is there any danger in having a prohibitive duty that all the various millers may combine to make a price for their flour?—We have never asked for a prohibitive duty.

13176. Say a fairly protective duty, which will shut out that dumping?—I do not think so. Go back to when the duty was double what it is now; such a thing never happened then.

13177. Is it not a fact that an agreement exists to-day amongst millers regarding the price of flour?—I do not know.

13178. At Port Elizabeth?—I could not say that.

13179. Would an increased duty on wheat have the effect of increasing the price of your flour?—Naturally. If it was only a small increase the competition might do away with it as long as there was a sufficient margin of profit.

13180. Any increase in the duty on wheat would tend to increase the price of flour?—A large increase would have that tendency.

13181. You do not think an increase of 3d. would affect it?—No.

13182. The farmer does not get the whole of the advantage of the 2s. a bag in the preferential railway rate to Kimberley --It is impossible to take one centre. We reckoned that practically we have paid 1s. to 1s. 6d. per bag more for Colonial than imported wheat. The longer the distance the greater the preference. If you send to Bulawayo it becomes greater.

13183. You, as representing the South African Milling Co., would object to the preference on the railways being done away with?--I should not say it would be advisable to take away the preference unless you propose to raise the duty.

13184. You do not think the preference on the railway should be taken away unless the duty on wheat is increased?- No.

13185. You said you differed with Mr. Thesen with regard to the present duties. Are you satisfied with the duties as they stand at present?—We are content to work under the present conditions provided the preferential railway rates remain the same.

13186. Have you formed any opinion as to how long the tariff should last in case a new Convention comes into force?—I have an idea it should certainly be for seven to ten years.

13187. A minimum of seven years?—Yes.

13188. *Dr. Viljoen.*] It has been suggested by other witnesses that we should try to arrive at some standard price for wheat, and the price that was fixed upon was 17s. 6d. to 18s. per bag. Do you consider that is a fair price for the producer?—I should say, taking the average of a number of years, that he would get about that price for his wheat. I am not prepared to answer that question definitely without going into it, but I think so.

13189. Do you think it is possible, either by means of a sliding scale or some other means you may be able to suggest, to do that—to keep the price at 18s. or any other price which might be fixed on?—I suppose you mean increasing the sliding scale of duty on imported wheat?

13190. I would like to know from you whether it is practicable—whether the thing could be carried out?—It is a matter I have not thought out.

13191. It has been suggested as one of the solutions of this difficulty about the wheat that we might have a standard price for it, and arrange, either by means of the ports or the railways, to keep it at that—or by any means you could think of?—As I say it is not a matter I have thought over just recently. Of course, I think that was discussed some six or seven years ago. Then it dropped, and I heard nothing more of it, and have not thought of it.

13192. You cannot give us any information on that?—No, I cannot.

13193. *Mr. Kayser.*] The people who gave evidence for Kimberley and Vryburg distinctly told us, without any hesitation, that they would like to see the preferences on the railways for Colonial produce done away with. Can you express any opinion on that, in view of the fact that that appears to be the objective market?—I cannot say more than I have already said. You are looking at it simply from the Kimberley point of view, but looking at it from the country's point of view I should say you cannot remove the differential railway rates without increasing the duties.

13194. You mean the mere fact of the duty does not induce people to make use of Colonial wheat?—It does induce them.

Alfred Marshall (representative of the African Compressed Fodder Company, Moorreesburg), examined, made the following statement:

1. The African Compressed Fodder Company, of which I am a member, deals in oats, oathay and compressed fodder, and has erected a factory at Moorreesburg, in this Colony, with a capacity equal to the entire consumption of British South Africa for the manufacture of oatmeal and "rolled breakfast oats," similar to the imported products.

2. The public demands that this Colonial article shall be packed in tins and cartoons in cases, and not in bags or barrels, and very naturally (these tins and cases are manufactured in this Colony, establishing a further local industry), but the Railway Departments will only carry goods so packed at the 3rd Class rate, whereas if we put the product into bags and barrels, which renders the article liable to damage, and which takes up much more space in transit, it will carry the meal at the South African produce rate. To say the very least of it, this is quite unreasonable and even open to ridicule.

3. We are now faced with the question, a serious one to us, and to the Colony generally, we venture to think :—

(*a*) If we do not pander to public taste in our packages we lose our market.
(*b*) If we cannot secure the South African produce rate it is useless for us to attempt to compete with the imported article unless the duty is increased.

The remedy is

(*a*) To raise the duty on the imported article and carry at the South African produce rate in whatever packages the consumer demands.

The reasons for our inability to compete with the imported article are :—

(*a*) The high rate of wages prevailing in this Colony.
(*b*) These differential duties in favour of European manufactures.

We suggest

(*a*) That the South African Produce Rate should apply to oatmeal and rolled oats, whether packed as the public demand or in bags and barrels.

Or, failing this,

(*b*) That equivalent duties be put on the articles.

Let us give you the practical result of the present system.

(*a*) The present railway carriage for oatmeal and rolled oats from our factory in Moorreesburg to Johannesburg, if packed in tins or cartoons in cases, is £7 15s. per ton of 2,000 lbs.
(*b*) If packed in bags or barrels it is £3 5s. 4d. per ton of 2,000 lbs.
(*c*) The carriage on imported oatmeal and Quaker Oats on the Delagoa Bay line from Delagoa Bay to Johannesburg is, even including duty, just the same as the carriage on our Colonial manufactured article, viz :—£5 per 2,240 lbs..

If we are to continue to carry on this industry here we must be in a position to tap the above market.

4. Now as to compressed fodder :—

(*a*) The carriage on a truck of oathay from Moorreesburg to Johannesburg (truck capacity 70,000 lbs.) loaded 4 9ths on its capacity for oathay which is its fullest capacity for taking a rate at 2s. 9d. per 100 lbs. would come to £38 10s.

(*b*) If loaded with compressed fodder to its fullest capacity, viz.:—70,000 lbs., the carriage for the same distance would be £96 5s. Difference in cost £57 15s. for hauling the same truck to its destination at Johannesburg.

Remedy.—A reasonable rate per truck load for fodder to foster this industry, and to open the northern markets to Cape produce.

I annex a statement indicating the disadvantage the Colonial producer and the Colonial article labours under in case of oatmeal or rolled oats carried in Colonial made packages in comparison with the imported article.

STATEMENT OF DISADVANTAGE.

1. 2,000 lbs. of oats are required to make 1,000 lbs. of oatmeal or rolled oats.

(*a*) The Colonial manufactured article would have to pay:—

	£	s.	d.
Duty on 2,000 lbs. of oats at 2s.	£2	0	0
Duty on Boxes to contain 1,000 lbs.	0	1	8
Duty on 500 cartoons to contain 1,000 lbs. at ¾ each (25 per cent. printed matter charged by Customs)	0	7	9
	£2	9	5
(*b*) The imported article would pay on 1,000 lbs. oatmeal or rolled oats duty 2s. 9d. per 100 lbs.	£1	7	6

No duty is charged on packages which contain printed matter.

	£	s.	d.
The difference between the Colonial article and the imported article in favour of the latter is	£1	1	11

That cartoons and all other packages without printed matter should be admitted free of duty, as Quaker Rolled Oats, the article principally used is packed in cartoons and cases with printed matter on both, and yet is not charged duty.

It is imperative that low and permanent steamer rates of freight for such articles as the Colony can produce shall be secured and the Government's influence should be brought to bear upon the subsidised steamship line, the Union-Castle Company, so that the various products can be interchanged between the various Colonies and surplus shipped to Europe.

The rate of freight for Mealies from Durban to London is 10s. 2,240 lbs. and yet the rate of freight for Oats from Cape Town to Mossel Bay is 10s. plus 10 per cent. 1,500 lbs., East London 12s. 6d. plus 10 per cent., Port Elizabeth 12s. 6d. plus 10 per cent., Durban 20s. plus 10 per cent. all 1,500 lbs. to the ton.

Freight on Oathay to Mossel Bay 17s. 6d. plus 10 per cent. plus landing 6s. 6d. per 2,000 lbs.
„ „ Port Elizabeth 17s. 6d. „ „ „ 5s. „
„ „ East London 22s. 6d. „ including landing per 2,000 lbs.
„ „ Durban 25s. „ „ „ „
Freight Compressed Fodder to Mossel Bay 10s. plus 10 per cent. plus landing 6s. 6d. per 2,000 lbs.
„ „ „ Port Elizabeth 10s. „ „ 5s. „
„ „ „ East London 12s. 6d. plus 10 per cent. to Wharf per 2,000 lbs.
„ „ „ Durban 15s. „ „ „ „
Freight Oats to Mossel Bay 10s. plus 10 per cent. plus landing 6s. 6d. per 1,500 lbs.
„ „ Port Elizabeth 12s. 6d. „ „ „ 5s. „
„ „ East London 15s. „ Del. on Wharf per 1,500 lbs.
„ „ Durban 20s. „ „ „ „
Quantities of 50 tons and over 2s. 6d. per ton reduction.

Freight Rolled Oats and Oatmeal in cases to Mossel Bay 10s. plus 10 per cent. plus landing 6s. 6d. 2,000 lbs. or 40 cubic feet ships option to Port Elizabeth 12s. 6d. „ „ „ 5s.
„ „ „ „ „ East London 15s. „ „ „ delivered on wharf.

2,000 lbs. or 40 cubic feet ships option to Durban 20s. plus 10 per cent. plus landing delivered on wharf.

We would point out the absurdity of charging freight on Oats to Mossel Bay, Port Elizabeth, East London and Durban at the rate of 1,500 lbs. to the ton, this makes the rate practically 30s. per 2,240 lbs., whereas the cost of bringing Oats and chartered steamers from New York to Durban does not exceed 22s. 6d. per 2,240 lbs.

We would suggest a fair basis is as follows:—For all South African Produce such as Wheat, Beans, Mealies, Oats, Barley, Fodder Hydraulic pressed to 50 cubic feet or less and the manufactured products of any of the above, the basis should be 10s. per ton of 2,240 lbs to all. British South African ports, the goods to be shipped at the consignee's expense, but to be landed at ship's expense on the wharf when the steamers can get alongside, or into lighters when or where it is not possible for the steamer to get alongside of the wharf.

13195. *Mr. Kayser.*] With regard to the second clause of your statement, what does that apply to—all the articles you manufacture?—We there allude to oatmeal in tins and cases chiefly and rolled oats in cartoons.

13196. The railway decline to accept those at the preferential railway rate except in bags?—Yes. They will allow us to send in bags if we put them in two-pound bags and put them in a grain bag at the Colonial produce rate, but if put in cases they charge a higher rate, although the oats, tins, cases and everything are Colonial.

13197. You cannot deliver the oatmeal in good condition in bags?—Consumers demand tins.

13198. What is your protection on oatmeal at present?—2s. 9d. a hundred pounds and the same on rolled oats; but that is no protection as there is 1s. 1½d. per 100 lbs. in favour of any competitor in foreign countries.

13199. That is not sufficient?—On page two of my statement I have given the particulars where we come out on rolled oats practically 22s. worse off at the present time than the foreign manufacturer, for the reason that it requires 2,000 lbs. of oats to manufacture 1,000 lbs. oatmeal, and the Customs charge us 25 per cent. duty on the empty cartoons, whereas the Quaker Oats people, and all foreign manufacturers get their printed matter in free.

13200. But, of course, taking this comparison you have made here, you begin by putting a duty of 2s. on the oats. Do you import the oats to make the oatmeal?—No; we have the oats here, otherwise we could not send at the Colonial rate should we wish to import oats and manufacture oatmeal and rolled oats whenever the quality of Colonial production is unsuitable or the quality insufficient.

13201. In the statement of your disadvantage you give a duty of 2s. per hundred pounds on the oats?—We only show the comparison. We have to pay £2 9s. 5d., whereas the imported article will only pay the 2s. 9d., which is £1 7s. 6d.; therefore the foreign manufacturers have a preference of £1 1s. 11d. at the present time.

13202. The point I wish to show is the way in which they have a preference. Do you import the oats to make your oatmeal?—Not at present; they are Colonial. We are showing that 2,000 lbs. of oats will make 1,000 lbs. of oatmeal. That if we were compelled through failure of the crop here to import foreign oats, the present tariff would prevent us from keeping our connection together, inasmuch as the present tariff is £1 2s. 0d. per 2,000 lbs. in favour of the foreign manufacturer.

13203. I understand that, but why do you bring in the duty?—If we had to import those oats.

13204. As far as I can see from your comparison, you are protected to the extent of 18s. 1d. on a thousand pounds of oatmeal. I am leaving out the duty. The first object of a protective duty on the Colonial article is so that you shall use the Colonial article?—Every pound of stuff we use is Colonial. Under the present arrangement of the Tariff, Colonial oats are worth £1 2s. per 2,000 lb. less for our purposes than they would be if the duty payable on oatmeal was proportionate to that payable on oats, e.g., duty on 100 lbs. oats is 2s., that duty on sufficient oats to make 100 lbs. of oatmeal is 4s.

13205. In actual duty you have only to pay on the boxes and the cartoons?—Quite so.

13206. And then there is the cost of milling?—Yes.

13207. In addition to this, can you tell us—particularly with regard to Quaker Oats and oatmeal—what protection you have on freight, on the imported article? Can you tell us what percentage that is with regard to the first cost?—Yes. The freight on rolled oats from St. Johns is 20s. per 40 cubic feet. We hope, as we can manufacture sufficient oats to supply according to the present consumption, we can manufacture enough to supply the whole of British South Africa. The present rate of 20s. from St. Johns to Cape Town is the same as from Cape Town to Durban.

13208. Are you quite certain of the rate from St. John's to Cape Town being 20s.?—Yes. I got it from one of the best men here a few minutes ago.

13209. From Montreal it is quoted at 25s., and 27s. 6d. from New York?—I daresay that is right.

13210. How does that compare to the cost? Do you know what the measurement of a case of rolled oats is?—No, but I will send it in in writing.

13211. Naturally you admit that that is a certain amount of protection?—I will give the information.

13212. Will you give what the freight is on a case of oats and what it contains?—Yes.

13213. Have you had any success in selling this Colonial made oatmeal?—Yes, we have had great success. The only unfortunate part is that last year the oats were so bad. We had a very good stock of the previous year's oats, which ran us practically up to June, and when we came to try last year's oats we could only get a very small proportion of meal out of them, because they were thin, and consequently we could not compete because of the advantage the foreign manufactured has when we are compelled to use imported oats.

13214. Do you use the ordinary Colonial-grown oats?—Yes.

13215. We had it in barley. One of the manufacturers said the quality of the barley in this country was such as they could not use. In the case of oats you could use the Colonial oats?—Yes, and the flavour of our Colonial oats is better than any oats I know of.

13216. The public take your goods?—Yes.

13217. There is not a prejudice against your Colonial-made oatmeal?—No. The article is really A1, and I think that will be borne out by anyone.

13218. What further assistance are you asking?—We want to be placed on the same footing. We do not want the preferential railway rate. We do say that when the public demand it in tins and cases we should have the same advantage on oats packed in tins and cases as in bags. Yes, either an increase in duty on oatmeal and flaked oats or the duty on oats abolished, so that we are at least in no worse position than the foreign manufacturer when manufacturing imported oats.

13219. You do not ask further duties?—No.

13220. Supposing the preferential railway rate is removed, is that going to have a serious effect on your industry? Supposing you have to pay the same rate for your oatmeal as the imported article has to pay?—We might as well lose £25,000 at once and shut up our place.

13221. Is not the duty sufficient?—The duty is insufficient, and this industry cannot be profitably carried on if the preferential railway rate for South African produce is removed, unless the duty on manufactured products, oatmeal and rolled oats is materially increased.

13222. Can you give figures to show that, in the same way as the millers on the last occasion gave figures to show that with a duty of 1s. per hundred pounds on wheat they required 2s. 3d. on flour to come to exactly the same position? You in the case of oats have a duty to-day of 2s. and 2s. 9d. on oatmeal?—Yes.

13223. If you give us those figures worked out in the same way as the millers worked them out I think it will be very helpful to this Commission?—I will do that.

13224. As you are at present situated, you say definitely that if the present railway preference were removed it would be fatal to your industry?—It would be; we might as well close up if they removed that. I produce a photograph of our factory, to show that we have not a small place [*handing same in*].

13225. You are making compressed fodder in the same factory?—Yes.

13226. The manufacture of compressed fodder and oatmeal, I take it, should necessarily go together; the one assists the other?—Yes.

13227. You have to select the oats, and those you cannot use for oatmeal you can use for compressed fodder?—If they are good enough; small ones we do not.

13228. Your point is you could not manufacture oatmeal alone if you did not have the compressed fodder industry alongside it; the two work together?—Yes.

13229. You say the remedy—still speaking of oatmeal—is to raise the duty on the imported article and carry at the South African produce rate. You do not want both, do you?—I will give the correct figures later. We work it out here that at the present moment we are at a disadvantage of 22s. You work it out differently. If the preferential railway rate is not removed, we wish to be placed on the same footing as a foreign manufacturer when manufacturing imported oats—under the present tariff we are at a disadvantage of 22s. per 2,000 lbs.

13230. In addition to the preferential railway rate you ask for more duty. What amount of duty are you asking for?—We do not ask for further protection if we can get on the same footing. A duty of 3s. 10½d. per 100 lbs. would not protect a manufacturer in South Africa, but place him exactly in the same position as his foreign rival. If the preferential rates are removed, we would want the duty increased 2s. per 100 lbs. to be able to compete with the foreign manufacturer.

13231. If your tins and barrels are accepted at the lower rate?—Yes.

13232. In your request you ask for both. You say "*and* carry," you should say "raise the duty on the imported article *or* carry at the South African produce rate"?—Yes. One of our chief points will be Johannesburg, undoubtedly. We have to compete against Lourenco Marques. The through railway carriage from Lourenco Marques to Johannesburg is £5, including the duty. Our carriage is £7 15s. a ton—for carriage alone.

13233. Are you quite right?—I believe so. I got this from the Railway people. I will verify it.

13234. Does the £5 from Delagoa Bay include the duty?—Yes. I got that from the Railway themselves. I am giving you their figures.

13235. But, of course, the duty into the Transvaal on fodder is £2 a ton?—I am speaking of rolled oats.

13236. The duty is 2s. 9d. a hundred pounds?—That is £2 15s.

12237. Then is the railway carriage from Delagoa Bay to Johannesburg only £2 5s.?—That is what they gave me. I will verify those figures for you.

13238. The rail carriage from Cape Town is £7 15s., or 7s. 9d. per hundred pounds?—Yes.

13239. Are you making a large quantity of fodder?—Yes.

13240. You are perfectly satisfied with the present position?—No. In regard to a truck of oathay, you have to load four-ninths of its capacity. If you do that to send to Johannesburg they get for carrying £38 10s. If we could load a truck full with compressed fodder they would get £57 15s. more for the same truck. We say, if we can load a truck to its full capacity, we should have a truck rate.

13241. If the preferential railway rates were done away with you would get an advantage, because everything would go at per hundred pounds. You ask to be protected against the railway rate on fodder?—We are looking at the Australian fodder.

13242. Is it possible to import Australian fodder to-day?—I think I am right in saying it costs £4 10s. to-day c.i.f.

13243. Is it possible, with the duty of 2s. per hundred pounds, to import Australian fodder to compete with you in your manufacture?—I do not think it is to-day.

13244. Therefore why tell me you have to think of the Australian fodder for the North?—For the simple reason that they have a drought there, and have no fodder this year.

13245. Even if fodder were reduced, we will take it, to £3 10s., would it be possible to compete, with the duty of 2s.? What is the difference in price to-day in Cape Town? Do you mind telling us your price?—4s. 9d. per hundred pounds.

13246. And the Australian article would cost 4s. 6d. c.i.f. Take it at 4s., and the duty would make it 6s., and therefore it would be absolutely impossible for the Australian article to compete?—We can compete at the present time in Cape Town, but at 4s. 6d. c.i.f. Durban, East London, and Port Elizabeth we would not be able to do so.

13247. Even if the railway rates were equal on both the Australian and your Colonial article, you would still be able to compete?—We could not do it on the long distance lines. For instance, the Transvaal market would be lost entirely because of the low imported rate from Delagoa Bay.

13248. It is the Transvaal traffic you are working on?—Yes. I think we should be knocked out at that price.

13249. But you are not sure?—I will verify it.

13250. But the duty of 2s. per hundred pounds is ample protection to-day?—To-day it is; but not when Australia has a surplus for export.

13251. Apart from the railway rate?—Yes, in some parts of South Africa, but not in the Transvaal if we had to pay imported rate from our factory.

13252. As far as the Kimberley market is concerned, you would be quite satisfied if the preferential railway rate were done away with?—No, I cannot say I should be; fodder and oatmeal would be imported *via* Port Elizabeth.

13253. Why?—Because if we had to pay the ordinary rate, which is considerably more, it would bring us very much above the foreign article. You say the 2s. would amply protect us in Cape Town?

13254. I am pointing out that the Cape Town fodder is 4s. 9d. per hundred pounds, and we take the imported article at 4s., which makes it 6s. duty paid. If the railway carriage is the same on both, have you not the advantage of 1s. 3d. wherever it goes?—Unless I went carefully into that I would not like to say it would work out that way. If the total railway carriage is the same, but not if it is the same per ton per mile, because then the imported article would secure advantage by shipping to ports such as Durban and Delagoa Bay.

13255. At all events, granted the protection at the coast was sufficient, the question of railway carriage would not particularly affect you as a manufacturer?—Quite so.

13256. *Mr. Harlow.*] You say you pay 25 per cent. on your packages?—Yes, on the cartons—that is, the printed matter.

13257. Have you tried to get them done locally?—Yes.

13258. With what success?—100 per cent. more charge.

13259. What was the amount of the order you wanted to place?—I offered to place 50,000 to 100,000 cartons.

13260. And your orders oversea were what?—We buy 50,000 at a time.

13261. Did you order that amount?—We have ordered that amount.

13262. Not more?—No. We were waiting to see if we could get them done here as we wish to do if the price is within measurable distance. The price was over 100 per cent. more, and then they reduced it a little.

13263. *Mr. Pyott.*] Boxes or cartons?—Cartons.

13264. In reference to the tins, I believe it is a fact that you cannot carry the oatmeal if packed in tins?—Not at the third-class rate if packed in tins or cartons, although everything is Colonial.

13265. With the exception of the cartons?—Yes.

13266. I suppose you have brought that matter before the Government?—I have to everyone I can think of—and have pointed out the risk, because in bags there is nothing that will taint so quickly as oatmeal, rolled oats, tea or flour, if put in a dirty truck. We had a case some time ago in which I had some samples—in ten bags—at the station, and I saw some fresh hides put on top of the oatmeal. We had to sell it for cow food, and the railway immediately paid the claim. They would not get a claim once in seven years for tins or cases.

13267. Have you a good supply of oats?—Very; I suppose one of the best districts. The Malmesbury and Moorreesburg District is, I think, perhaps the best. Last year it was far and away better.

13268. They are exporting a lot of oats from that district, are they not?—Some has been exported from there, and I think I am right in saying the majority was from the Caledon district. Some of our oats are going to England and being manufactured there and brought back here as oatmeal and rolled oats.

13269. What I want to get at is whether it will affect your industry supposing this export of oats goes on?—No; I think we shall have plenty in our district, because at the time of buying we shall put in our stock. We are buying whilst the farmers are bringing in, and we put in our twelve months stock.

13270. You do not anticipate any danger in that?—No. I am positive there is none.

13271. Do you mind telling the Commission how many people are employed in your factory?—I will give it approximately. At some seasons of the year we have as many as fifty, coloured and white. I think I should be perfectly right in saying we have about six white men and thirty coloured on an average.

13272. Do you think you could eventually compete with the whole of the South African market for this particular class of goods?—We are sure of it, providing we can get reasonable protection and railway carriage.

13273. You say your article is as good as the imported?—Some people say it is better. I say it is quite as good.

13274. You do not find any prejudice against your article? The other way about, because a good deal of the reason is that it is always fresh. We have never a case left over. As soon as we manufacture it it comes to the public, and of course the flavour is much superior, even when it is six months' old.

13275. Do you supply retail or wholesale?—Chiefly the wholesale—the merchant here.

13276. You have no difficulty in getting the wholesale merchants to take it up?—No. I get letters from merchants every day, and have them telephoning me, asking when our oatmeal will be in the market.

13277. You mention the higher prices you have to pay in reference to shipping?—To bring rolled oats from St. John's to Cape Town is 20s. 1d. per 40 cubic feet. To send ours, which is the same size, to Durban is 20s. per 40 cubic feet. Now I do think that the Government should bring some pressure to bear on these boats which are subsidised, in order to get a lower rate of freight for the coast, so that the products of the various South African Colonies could be interchanged—that is to say, where it is within the Customs Union. I take it we want to build up commerce so that we can interchange our products, but when we have a prohibitive rate like this we can never do it. The Union-Castle and other "Ring" boats charge 20s. to take 40 cubic feet to Durban, and you can get it from St. John's to Cape Town for the same price. The railway rates for export should be reduced to a minimum. The rate for oats for export has been reduced and the products therefrom should be carried at the same rate when exported to other parts of South Africa or to Europe.

13278. You have no complaint against the Government as to bringing your stuff to the port?—No, except what I have already told you about tins and cases. The public has got into the way that they will have tins and cases. I have asked the wholesale people whether it will not do in bags, and they say, "No; we must have tins and cases." It is a custom they have got into. A lady orders a seven-pound tin. She is asked, "Will you have a seven-pound bag?" "No; I want a seven-pound tin."

13279. *Mr. Kayser.*] You could sell cheaper in a bag?—Yes, but I am told by all the wholesale grocers that they will have them in tins.

13280. *Mr. Harlow.*] Are you serious in your suggestion that cartoons and all packages with printed matter should come in free of duty?—The foreigner can send in his packages with printed matter all over them free, except for the duty on the oats. We have to pay 25 per cent.

13281. Could you not suggest some means of dealing with this particular class of article?—I will think out a suggestion and put it in the statement I have to send in. Packing material should be free of duty or a special duty imposed on the printed package additional to duty on contents. Under the present system if a printed package has contents it pays no duty, if empty it pays 25 per cent.

13282. If you take the duty off that printed article you will have to take it off others, and thereby create an injustice to the printing trade here?—I contend they cannot do it here at a reasonable price. If they could we should not go oversea.

13283. *Mr. Pyott.*] What is the difference between the price of oats in America and here?—I could not tell you right off.

13284. Can you tell me the price in England and here?—The price of oats in England, according to the latest quotation, is 16s. 6d. for 304 lbs.

13285. And the price here?—Roughly speaking, 6s. to 6s. 3d. That would be about 6s. 7d. at the Docks per 150 lbs.

13286. Your price is about 3s. cheaper than in England?—That is about it. But the Canadian oats are less than that.

13287. You say you only have a production of a thousand pounds of oatmeal from two thousand pounds of oats?—That is right.

13288. That is 50 per cent.?—Yes, and it takes good oats to do that.

13289. How are your oats compared with the fine oats in Scotland?—They are much larger, and they get more meal.

13290. What percentage more?—I should think 25 per cent. more. They are very large, fat oats. It may be less than that.

13291. You mean they get 75 per cent. from the oats?—Perhaps 60 per cent. I could not give that with certainty.

13292. You are quite satisfied with the 2s. 9d. duty on oatmeal to-day?—Yes, we would be fairly well protected if duty on oats was abolished, but at present we cannot manufacture oatmeal from imported oats to keep our connection together when the crop is short, because instead of being protected we are at a disadvantage of £1 2s. per 2,000 lbs. in duty alone.

13293. Have you been able to keep up your supply of oatmeal during the present year?—Up to June.

13294. And then you practically had to tell your customers you had no more?—That is so.

13295. Supposing you found oats in another country to make oatmeal, in order to keep your customers together, would your duty have been sufficient?—No, we could have kept our connection together until a new crop arrived with an additional duty of 1s. 1½d. per 100 lbs., and a small profit with duty increased to 3s. 1½d.

13296. Yes?—In this instance we had to shut down. We could not pay 2s. on imported oats.

13297. Will you supply for three months and close up for the rest of the year, so that they will then have to import and pay the duty?—No. I explained it was because of the bad season and the oats being thin.

13298. Supposing next year the oats are thin?—We must import them, even if we lose money.

13299. If you get a trade for oatmeal you must sustain it?—With the 2s. duty on oats and the carriage we should make a loss unless the duty on oatmeal and flaked oats was considerably reduced.

13300. Your oatmeal is being carried to-day at a much lower price than the imported, is it not?—In bags, not in tins and cases.

13301. Is your oatmeal in tins and cases being carried at the same rate as the imported?—I think it is a third-class rate, as against second-class rate for the imported. If we could get the public to take it we would rather send it in bags.

13302. You know, as a practical man, that it is impossible to keep oatmeal for any length of time in bags?—Yes.

13303. Seven pounds of oatmeal would soon become eight?—Yes, and it would also get very musty. It would not be fit for use. You cannot keep it in bags for any length of time.

13304. Will you tell us the cost of tinning your oatmeal?—16s. for a hundred tins. That is packing in tins and transferring them to cases.

13305. Practically 2d. a tin?—Yes.

13306. And the cost of the tins?—7½d. for the 14 lbs., and the others cost us 6½d.

13307. It is impossible to get them done cheaper?—I hope to get them done cheaper. I hope we shall do that soon.

13308. Do you propose to have a tinning factory?—We have plenty of room, and I hope we shall develop into that.

13309. And you would be in a position to supply the whole Colony?—Yes.

13310. Till now you have sent the oatmeal to Cape Town and tinned it here?—Yes; we could not do it otherwise.

13311. On the question of cartoons, do you not think it would be better to ask for an increased duty on oatmeal rather than ask us to reduce it on the printed matter?—I would rather have that. The best course would be to charge a special duty on the printed matter whether it held contents or was empty, if it is not feasible to pass packing or packages when printed on, free.

13312. Could you give us a reasonable suggestion whereby you could cover cards some other way, rather than by interfering with the printers?—I will include that suggestion in my other remarks.

13313. Supposing the preferential railway rate on our railways between the Colonial and the imported article were done away with, would that affect your business to a great extent? -Very greatly, unless we have an equivalent duty put on our stuff, in which case it would make no difference.

13314. What is your benefit to-day from here to Kimberley as against the imported oatmeal? It is about 3s. 10d. If that were done away with you would have to get some protection?—Yes.

13315. *Mr. Scott.*] You send your oatmeal in bulk to Cape Town at present? —Yes.

13316. Could you not do the same for Johannesburg and tin it there? -We really wanted to do it here, because there would be the carriage on tins and the cases extra.

13317. The tins would have to be made in Johannesburg?—I should like to have the cases made here.

13318. Why do the railway object to carrying your meal in tins and packages? They will not give me any reason.

13319. Would not they get the same amount in the truck?- Quite; it is stowed quite as easily. It is like stowing bricks. I think they would get more in than in bags.

13321. I want to know if it is on any score of risk it runs in cases or tins. Have you offered to do that?—I do not think I have.

13321. I want to know if it is on any scare of risk it runs in cases or tins. Have they any reasonable excuse?--That cannot be so, because there is more liability to damage in the sack by far. I have had instances in which they have paid my claims. They would never have a claim with tins and cases. They say, "That is the rate," and that is all they will go by. They did tell me this Commission was sitting and I had better bring it before you.

13322. The Railway told you that?—Yes.

13323. Have you exported any compressed fodder?- We have only sent samples. We hope to do a good business.

13324. You think there are possibilities of trade?- Yes.

13325. For oversea?—Yes.

13326. You do not know how your samples have turned out? The reports are very favourable.

13327. Regarding the quality?—Yes.

13328. What is that made of—lucerne?—No; oathay, bran and other ingredients.

13329. You refer to the freight with regard to oversea export on fodder stuffs. You suggest 10s. per ton of 2,240 lbs. to all British South African ports?—Yes.

13330. Do you mean for coast ports?—Yes.

13331. As against to-day's freight rates of 12s. 6d. on fodder and 20s. per 1,500 lbs. on oats, both plus 10 per cent. to Durban?—Yes.

13332. Yo you think this Commission can help you in that direction?—I hope they will bring some pressure on the Government; it does seem a ridiculous thing that we cannot send our oats up to Durban under 20s. and we get them all the way from St. John's at the same price.

13333. I do not think any recommendation from us on ocean freight would have any effect. No doubt it would facilitate business in your case?—I take it not only in our case but all trades.

13334. If you have large quantities to offer the shipping companies they would probably reduce their rates?—The iniquitous part of the thing is that you can get a rate at about 5s. to 7s. 6d. a ton cheaper by outside boats, but you are tied up by the Conference line and cannot move.

13335. *Chairman.*] Can you tell me your output?—We can turn out in full work about twelve tons a day- oatmeal and rolled oats.

13336. You cannot get the oats to do it? - We can this year. We could get plenty last year, but they were so thin that there was very little meal in them and they would not pay, although we ran up to June with the old crop.

13337. *Mr. Scott.*] Oats from the Malmesbury District? Yes, and Caledon oats were so badly stained that we could not use them for oatmeal.

13338. *Chairman.*] What has been your output for the year?—We were working at that rate.

13339. How much have you sold? I could not give you that here.

13340. I am looking at the very big importation into Cape Colony. You do not seem to have affected that importation? We have gone into that, and can turn out sufficient to supply the whole of British South Africa.

13341. Would it not give you a better idea of what you could do if you supplied Cape Colony first before trying Johannesburg and the other places?—We should be able to do it if we got reasonable protection with regard to the railway carriage.

13342. We are importing £28,000 worth of oatmeal into the Colony now. Had you not better supply that market before sending to Johannesburg and other places?—Yes, but we shall be able to supply other markets besides Cape Town.

13343. We have a complaint from a grocer that he cannot get Colonial oatmeal?—I have explained the reason. It was no good manufacturing, because the oats were not suitable, and the present tariff is so much in favour of the foreign manufacturer that we could not compete manufacturing from imported oats.

13344. That is the point. It is no use talking of increased protection if you cannot supply all the market?—I will guarantee to supply the market. At the present moment, because the oats are so good, we are putting on an extra kiln.

13345. When will you be able to supply the Cape Town market with all the rolled oats and oatmeal they want? In fourteen days' time.

13346. The points you raise are that you do not want additional protection, but you want the preferential railway rates continued?—We require the preferential railway rates continued and duty increased 1s. 1½d. per 100 lbs., so that when manufacturing oatmeal from imported oats we are in the same position as the foreign manufacturer of oatmeal. If the preferential railway rates are abolished, the duty should not be less than 6s. per 100 lbs. to balance this disadvantage.

Printing.

John William Yallop, of J. C. Juta & Co., Booksellers and Stationers, examined upon the following statement:

"1. That owing to the high rate of printers' charges in this Colony goods may still be imported at a cheaper rate from England, in spite of the present Tariff and aid the printing trade already receives by its machinery, type, etc., coming through free of duty.

2. That the duty on Catalogues is detrimental to the best interests of business.

3. That generally speaking the style of production in the Colony, as far as printing business concerned, is not only high in cost, but inferior in finish.

4. That an Industry should not be taxed unless it can produce articles at a cost which can reasonably compete with goods imported from abroad, aided by a duty not more than 25 per cent.

5. Instances will be given to bear out the above facts."

13347. *Chairman.*] Do you wish to make any further statement beyond your written statement?—I would like to elaborate it. I am not opposed to a protective duty on any business so long as that protective duty benefits that particular trade and encourages the production in this country, but what I am opposed to is that a duty should be put on any trade when you could still continue importing your article very much cheaper from abroad. That, I take it, is the position of the protective duty on the printing trade. There are many industries which we ought to protect in this country, particularly where there is much production from our own soil, but in our experience, as soon as this protective duty is put on in the printing trade, it means a very heavy tax on our business; and that is what I want to point out this morning. I would like to give two instances. When we, as a firm, recognised the inevitable when this duty was put on—and we opposed it as hard as we could before the new Customs Tariff came out—we went to the printing trade in the case of our Cape Town Directory, of which we publish a very large number, and obtained two or three estimates as to what it would cost to produce that Directory out here. We were very fair-minded about the matter, and were perfectly prepared to have it done here if it could be produced at the same rate as we could import it at, plus the duty.. I would like to point out, in the first case, that our Directory for this last year cost us in London, after putting on the duty and freight, a matter of £404. We got an estimate from one of the large printing houses in Cape Town, and at first the thing was unthinkable altogether, but we were prepared to give them a five years' contract. We put it to them on that basis, and whereas the article cost us £404 to import from London, it would have cost us here £467—a saving to us by importing from London of £63; and I guarantee to say that we got the article out from London not only cheaper in price, but 50 per cent. better in production. That is one case. I should like to mention that we issue, as a matter of pushing our business, an educational catalogue, of which we circulate a very large number. There are a good many plates in it. We asked for a price, and put the actual article in front of them. The estimate was £218 for 4,000 copies. That estimate for the same article in London was £102 10s., a difference of more than 100 per cent. That is why we feel that this protective duty on printing matter and on catalogues handicaps us very seriously in our business, and as far as these matters are concerned, it is practically of no use to the trade at all. We feel that the printing trade, if they wish to have a protective tariff, should bring down their cost of production, and then ask for a protective tariff which might fairly enable them to compete with the Home people. Those are my two chief points. I would like to enlarge upon the matter of catalogues, and to say that another way where we feel it very considerably is that very often we find publishers in London, in order to push the sale of their books in this country—and of course in pushing the sale here that is a benefit to the country—send out a large number of circulars. I have brought one here in regard to the book "Jock of the Bushveld," on which they have put "Sold by J. C. Juta and Company." We have to pay 2d. a pound on that leaflet. If that did not come out from the publishers it would not be printed here. It is simply a matter of facilitating the trade, and because it has our name at the bottom we have to pay 2d. a pound on that leaflet: and so it goes on all through. Still speaking about catalogues, we find that to look for other business we must have our wholesale catalogues—weekly, monthly or half-yearly catalogues, as the publishers send them out. Of course we had a good deal of bother, in the first instance, by the Customs charging 7d. each on those catalogues, and afterwards it was reduced, and now we get them free; but we are very much afraid the same difficulty will come about again, and I venture to suggest to the Commission that if it finds that there should be a duty on catalogues, there should be some clause to prevent a duty on an article of this kind, saying, "Catalogues of firms or persons domiciled within the Customs Union." Then you get at the Colonial firms producing their catalogues at Home and sending them out here. It seems to me all the wholesale catalogues should come through without any bother.

13348. Yours is the importer's point of view. Do you not think it is rather an exceptional case which you mention? Are there more than two or three directories in the whole of South Africa?—I know of another one. There are about two. That one is imported from Home also.

13349. You think they should be excepted?—I say the directories should be excepted altogether. "Brown's Guide to South Africa," wholly compiled and issued in London, has to pay 25 per cent. duty. The fact is that the prices go up on these things; that formerly sold at 2s. 6d. now sells at 3s.

13350. Could you speak from any knowledge? You say the last Customs Tariff has been of no benefit to the printers in this country?—I should doubt whether it has done very much benefit, taking our own experience into consideration.

13351. You are not printers?—No.

13352. You cannot speak from experience?—No.

13353. If we had it stated that it has increased the trade in the Colony, you would rather doubt it?—Yes, to any great extent.

13354. Do you think the Colonial printer cannot print things as cheaply as at Home?—I am decidedly of that opinion.

13355. If we have evidence that such things are printed, you would doubt it?—Yes, because I place before you the actual facts and figures of the two instances in our experience.

13356. Do you propose to take the duty off printing altogether?—Let billheads and things like that come under the ordinary *ad valorem* duty, which is 15 per cent. I would also point out that the printers are already receiving a good protection by their raw material being allowed to come in free. There is no duty on their machinery so long as it comes from Great Britain, and only 3 per cent. on that from foreign countries—and also printing ink and so on. They receive a big benefit there, and over and above that they have the 25 per cent.

13357. I suppose the ordinary establishment employs more labour than you would?—Yes, I daresay so. They employ machine hands and all the rest of it.

13358. You would not agree with the idea that a Commission should not consider the middleman or importer, as he is not of very great benefit to the country?—This is the point we feel—that as long as the labour can be produced in this country to produce these articles, it must be at a fair and reasonable rate. Where a trade wants a heavy protective tariff in order to compete with the Home people, we say that should not be protected, but if with 25 per cent. duty the printing trade could produce the article as cheaply as you could import it, then we say put on the 25 per cent. by all means.

13359. You argue that this increase does not benefit the printing trade?—Yes. It simply increases the cost to the consumer, because everybody has to pay more: a man has to pay more for his Directory.

13360. *Mr. Kayser.*] You say in your opinion the consumer has to pay more owing to the imposition of the new duty?—Yes.

13361. Both for the Directory which you have printed at Home and also for other articles, do you say?—I might make a point of another thing—account books. These cannot be produced in this country at anything like the price you can import them from Home for. There are many account books imported here; in fact the largest proportion of them are the cheaper articles which the general man buys, and which cannot possibly be produced out here at a price at which you can import—even with 100 per cent. duty on.

13362. I will put before you the present Customs Tariff. Will you tell us which item in Article "B" cost more to the consumer?—Account and cheque books, printed stationery and forms, in fact everything imported under Article "B"—New Year cards, picture postcards, guide books. Cardboard boxes and bags we are not interested in, but in every other item the price is higher. We are selling Christmas cards higher on account of the duty.

13363. You say, owing to the duty, the consumer pays more for every item under "B" except cardboard boxes and bags; you say that from your own experience?—Yes.

13364. It is impossible to print pictorial and New Year cards in this country?—Yes.

13365. You think a higher duty would be a bigger hardship?—Yes.

13366. You tell us that in the case of your Directory the cost here would have been £467, and in London it cost £404?—That is including the duty.

13367. Is that the cost delivered here?—Yes, including the duty and including the freight; that is landed in Cape Town.

13368. You would actually have to pay £63 more in Cape Town?—Yes.

13369. Does that apply also to educational catalogues? You say they cost £102 in London?—Yes.

13370. What did they cost landed here?—We had to pay 2d. a pound, which meant a duty of about £12 to £15 on the catalogues.

13371. Can you tell the cost of that article landed in South Africa as against the local quotation of £218?—Roughly speaking, about £120.

13372. That is the cost landed in South Africa of the imported article, including 25 per cent. duty or 2d. a pound?—Yes.

13373. Whereas for the same article printed here you would have to pay £218?—Yes. Also, the firm in Cape Town wished us to supply all the blocks, which would have been an additional cost to us, because in the other case the blocks were supplied in London. We estimated that we saved at least 100 per cent. on the catalogues.

13374. We have been told—and it is my own experience—that quite a large quantity of bill-heads, letter-heads, and so on, are now being printed in this country. Is that not your experience?—Not in our own experience, because we found it was cheaper to go to London for them.

13375. The printers tell us they have secured a large quantity of this business. You are opposed to the duty of 25 per cent.?—Yes.

13376. If you were asked whether you thought an increase of 25 per cent. was justifiable, what would you reply?—I should certainly be against it, because I feel that a prohibitive tariff should not be asked for by any industry.

13377. You say in your memorandum a maximum tariff should be 25 per cent.?—Yes.

13378. Have you followed the reports of this Commission, as printed in the newspapers?—No.

13379. Have you seen what duty has been asked for on printed material?—No.

13380. They ask anything between 35 per cent. and 50 per cent.?—I am quite aware that before the present Customs Tariff they wanted 40 per cent.

13381. How would you designate that request?—As I did at the Committee meetings of the Commercial Exchange: I think it exorbitant.

13382. And you think more duties would mean more cost to the consumer—Yes, as undoubtedly is the case now.

13383. Do you issue magazines?—Only one.

13384. Are there many magazines issued here?—There are not many issued in the whole of Cape Colony.

13385. Would you consider it reasonable to give a protection of 50 per cent. on the cost price of a magazine issued here?—You mean from the one printed in England?

13386. To protect the local production—that is, a duty of 50 per cent. on the imported article?—On all magazines imported?

13387. Yes?—I should certainly say it was unreasonable.

13388. As a bookseller, can you give us any idea how many magazines are printed in the Cape Colony?—I do not know whether you include the little church magazines which are issued.

13389. Magazines like the "South African Monthly" and the "Goede Hoop,"?—I should not say more than three dozen—of any importance.

13390. How many in the Transvaal?—I would not like to say definitely about that, because I have not that experience, but I am not aware of any important magazines being published there at all.

13391. You think to put a protective duty of 50 per cent. on a magazine would be an exorbitant protection?—Certainly. I think it will affect the magazine trade in this country very materially.

13392. It will affect the reading public?—Certainly.

13393. *Mr. Scott.*] Of course you are not a printer?—No.

13394. You are importers of all kinds of stationery?—Yes.

13395. I suppose you are aware the printing industry is one of the largest in the Colony?—It is a very large one.

13396. So that it would affect you somewhat if that industry went down?—I suppose so, on the whole.

13397. You would not have the same outlet for your stationery?—You mean the more people are here the more we sell? Certainly.

13398. With regard to the leaflet you showed the Commission, did I understand you to say it could not be produced in the Colony?—I did not say that. I say it would not be produced if that firm did not send it out. It is of no benefit to the printing trade in any case in South Africa. If the London firm did not send the leaflets, the printers here would not get the job of printing them.

13399. Why does the London firm send them?—In order to facilitate the pushing of the book in South Africa.

13400. They might be printed here?—I maintain if the firm did not send them they would never be printed here.

13401. If the firm is doing business here it will try to advertise its business?—Yes, but the local bookseller has all his interest in the country.

13402. So has the printer. There would be no difficulty in printing that article here?—None whatever.

13403. Is there any difficulty in printing the ordinary account books?—There ought to be no difficulty in regard to the larger and more expensive ones, but, as I pointed out, the cheaper account book is the one of which we sell about 75 per cent. more than the expensive one, and that is the one the local trade cannot produce out here at a reasonable cost.

13404. Would you mind handing in such an account book?—I will do.

13405. We have the evidence of printers, and you say a certain cheap account book cannot be produced?—Not at a reasonable price.

13406. What do you call a reasonable price?—I should say they cannot produce it out here under 25 per cent. dearer than we can import it from London for.

13407. *Mr. Pyott.*] With the 25 per cent. duty?—Yes.

13408. That is 50 per cent.?—Yes.

13409. *Mr. Scott.*] Is it not a fact that a large number of catalogues are produced in Cape Town?—Oh, yes; there always were.

13410. Take the educational catalogue of yours. Could not that be produced here?—It could be certainly.

13411. But you say the difference in cost would be considerable?—Certainly. That is the point.

13412. I think the Commission should have a copy of that catalogue?—I will send it. I have the figures here,

13413. Are billheads largely produced in Cape Town?—Yes.

13414. Did I understand you to say that these had also to be imported?—We find in our own experience that we can still import them cheaper than having them printed here.

13415. Can you tell us why?—Because we feel the printers' charges are much too high.

13416. Have you gone to the local printer and offered to make a contract for billheads?—Not so much for billheads, but I can give it in another instance which forced us to go to London with all our other work. Some time ago we had a very large number of newspaper wrappers to be printed—I should say some hundred thousand—and we sent to all the leading people in Cape Town and got estimates for printing these wrappers. We found, taking their prices into consideration, that we could go to London and import these wrappers, pay the duty and still save a very large percentage on these.

13417. That was for wrappers, but have you done so recently in regard to billheads?—We have not asked for them. The matter of the wrappers caused us to go to London for all our stationery.

13418. Generally it suits you to go to London for all your requirements, because you are importers?—Yes it does.

13419. *Mr. Tod.*] You do not get any printing done in this country?—Oh, yes; we get a lot of it done.

13420. I thought you said it cost so much in this country?—I am only mentioning these particular lines, but we have a lot of printing done in Cape Town. We do not boycott the trade altogether.

13421. If the duty were taken off would you still continue to get that work done here?—Yes. We get a large amount of book printing done here, and there is no protective tariff on books.

13422. You are not a printer?—No.

13423. Still, I suppose you know what goes to make up the cost in printing?—We have a large experience in that way.

13424. Is it not mostly labour?—Yes.

13425. How is the rate of wages here compared with England?—I suppose they are 50 per cent. more out here.

13426. Do you not think the protective duty which the printers ask for is the amount which is necessary to make up the difference in wages in the two countries?—I have pointed out that the present protective duty does not enable the local trade to compete with the Home market.

13427. No doubt there is a point at which the duty could be placed which would put that right?—Of course you can raise it.

13428. The present duty is 25 per cent.?—Yes.

13429. And even at that you say the local man cannot compete?—Yes.

13430. It must be purely on account of the difference in wages?—To a large extent, certainly.

13431. Is there any other reason operating besides the difference in wages?—There is always the trade from Home.

13432. Is there any machinery which cannot be imported into this country as far as printing is concerned?—Not as far as our printing is concerned.

13433. I suppose the printers in this country would be prepared to work at a reasonable profit?—We maintain we have given them the chance.

13434. You think they have not been content with a reasonable profit?—Yes.

13435. If they told you that to make a lower price would entail a loss, you would not believe them?—I would not like to say that, because I suppose they do the business as low as possible, in order to get it.

13436. If it were clearly proved that the difference in wages between those paid in England and those paid here is sufficient to warrant the increased duty which the printers ask for, would you be in favour of granting that increased duty?—No, because we consider the duty is rather a prohibitive one. We should oppose it.

13437. Or do you say the work must go where the wages are lowest?—I would not like to say that. I have already stated that I consider no trade should have a protective tariff which is an exorbitant one. Take the manufacture of jam and biscuits, where the produce is here; those are the trades which should be protected.

13438. I want to know from you in what way it is exorbitant. Do you mean the rate of wages in this Colony exorbitant?—Yes.

13439. We pay printers an exorbitant wage here?—Yes.

13440. And on that account it is necessary for them to get this high duty to enable them to compete?—Yes.

13441. Therefore the solution would be the lowering of the wages?—That is it.

13442. *Mr. Harlow.*] Do you know what wages are paid to printers here?—I have not got the actual figures in front of me, but I had a conversation with the manager of a printing works here some little time ago, and he put the figures in front of me, and that is what I base my statement on. Of course, the higher man gets about £4 a week, and so on.

13443. You would be surprised, I suppose, to hear that nine-tenths of them do not get £3 a week?—I know the average is £2 10s. to £3.

13444. You consider that an exorbitant wage? I do not consider it an exorbitant* wage; I should not put it in that way; it is 50 per cent. higher than in England.

13445. You said the Cape Town price for a particular thing was £467?—Yes.

13446. The imported price was £404?—Yes.

13447. The wages in Cape Town are up to 50 per cent. higher than oversea?—Yes.

13448. The actual cost in Cape Town, according to your own figures, was not 15 per cent. above the imported price?—But do not lose sight of the fact that we have already paid 25 per cent. duty.

13449. But you said the wages are 50 per cent. higher here?—Yes.

13450. You have paid 25 per cent. duty?—Yes.

13451. And another 15 per cent. would cover the cost?—Yes.

13452. You sell your goods in South Africa?—Yes.

13453. And if those people did not get the wages they could not buy them?—No.

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*Note.—In regard to the rate of wages, the word "exorbitant" was withdrawn, and I have since ascertained that my answers to this and the next few questions were based on the rate of wages in existence some years ago, and that the wages have since been reduced.

13454. With reference to the Directory you have printed, do you sell any number oversea ?—No.

13455. All locally ?—Practically all locally.

13456. Do you think it is fair to the man living here ?—I wish to point out that in the compiling of a Directory there is a large amount of money spent. You cannot compile it without sending canvassers all round the district. You employ a large number of men in so doing, and in that way spend a very large amount in Cape Town, so that the district benefits very largely from the compilation of a Directory.

13457. That does not get away from the fact that if the whole of the work was done in Cape Colony it would be for the benefit of the Colony ?—It is bound to be of benefit if they can bring down their prices reasonably. We would get it done here if it could be done reasonably. We went into the matter with quite an unbiassed mind, and were perfectly prepared to get the work done in Cape Town.

13458. Provided it did not touch your pocket ?—Certainly. I think you, as a business man, would go to your cheapest market.

13459. Is there no possibility of this work being done in the Cape Colony without a higher tariff being put on ?—None.

13460. Would you be surprised to hear that a great many local manufacturers are having practically the whole of their work done in Cape Town ?—I should not be surprised.

13461. Will you tell us how long you have been in business in Cape Colony ?—26 years.

13462. Since Juta & Co. have been in existence ?—They have been in existence since 1853.

13463. I suppose they have not on any occasion considered the idea of putting up a printing plant for their own production ?—No.

13464. It pays them better to import ?—We do not look upon it as part of our business.

13465. You have not considered the advisability of having a small plant of your own for printing your Directories, paper wrappers and so forth ?—No.

13466. You said just now that the only way to reduce the cost of production was by reducing the wages ?—Yes, if the wages could be brought down, but owing to the high cost of living in this country I do not think it is possible or expedient to reduce the wages.

13467. You would advocate the wages being brought down ?—Certainly, if it is possible, but I do not think it is expedient owing to the high cost of living in this country.

13468. You would also advocate the revenue to the Colony on these particular articles being decreased ?—If the thing is printed here, the revenue will not benefit at all.

13469. Which would be the best—to have the revenue, or the men here spending the money they earn ?—Spending the money, certainly. I have already stated that we are not opposed to a protective tariff so long as any particular trade can produce an article at a fair and reasonable cost compared with the cost of importing from Home. It stands to reason that if you increase the cost of a production you must add that price on to the article, and the consumer has to pay for it.

13470. None of these things you mentioned is an absolute necessity of daily life ?—No. The Directory is a necessity to business.

13471. But not to the average man ?—No.

13472. It is a luxury ?—I do not know whether you would call it a luxury. It is not a necessity, the same as bread and meat.

David Murdie Smail, Manager, Cape Times Ltd., examined, made the following statement:

On behalf of the Printers of Cape Town, I would first of all say that it is highly necessary that protection should be given to South African Printers as against the Oversea Printers.

I would point out that in this trade the Costs of Material and Labour work out about 30 per cent. to 40 per cent. for Material with 60 per cent. to 70 per cent. for Labour.

A very important question lies in the Rate of Wages paid, and I would give the following comparisons :—

	In Cape Town.							Johannesburg.			Average in United Kingdom.		
	£	s.	d.		£	d.	d.	£	s.	d.	£	s.	d.
Compositors Minimum	3	6	0			...		5	10	0	1	17	6
Machinists	3	6	0			...		5	15	0	1	17	6
Boys	0	10	0	to	1	5	0	2	0	0	0	5	0
Rulers	3	6	0			...		5	15	0	1	12	6
Binders	1	15	0	to	3	10	0	5	15	0	1	12	6
Girls	0	10	0	to	1	10	0	1	0	0	0	5	0
Errand Boys	0	10	0			...		1	0	0	0	4	0

If you examine these figures you will see that this equals in comparison to the Home Wages an increase of 85 per cent. in Cape Town, and over 300 per cent. in the Transvaal. The minimum wage at which a man can clothe and feed himself and family and possess his self respect here is almost double what it is at Home and fully three times higher in the Transvaal.

Sufficient duty should be imposed to bring the cost of the Imported Article on a competitive level with the cost of local production. The keen competition at present existing here is sufficient guarantee to the consumer of fair prices, and the knowledge in the trade that the Home product can be landed plus duty at competitive rates must regulate local charges. Printers here are not moneyed men, none of them can afford Motor Cars. In other Colonies protection exists,

In Australia ...	25 per cent.
New Zealand ...	25 per cent.
Canada	30 per cent.

while living is cheap and wages are low in these Colonies. Industries should be encouraged, and so increased employment. Is it not better to circulate a large sum in wages annually than to save a few pounds to an individual?

The Printing Trade is in favour of the Continuance of the Preferential Tariff, and also that the Tariff should be established for at least 5 years. The existing Tariff has benefitted the Printers to a considerable extent, many orders which formerly were sent Home are now executed in the Colony, were it not so there would have been many more idle hands. It is reported that Mr. Yallop has given evidence on the Printing Trade. I would point out that he in no way represents that trade, but the imported Stationery Trade pure and simply. He stated that "if Printers wanted a protective Tariff they should bring down their Costs of Production," does that not show that Printers have not sufficient protection?

We recommend that all requisites and materials used by the Printing and allied Trades for the purposes of the Industry, and all material which is worked up in the course of Local Manufacture be admitted free of duty, and as regards the question of Catalogues, that the duty be continued as at present, but that Catalogues, etc., of *bona fide* wholesale Manufacturers—when addressed to importers and merchants—shall be admitted free of duty. We are against the interpretation, or rather the incorrect reading of the present tariff, where the Customs Authorities have been allowing Oversea Catalogues to come in duty free by post from outside Firms who pay nothing for the upkeep of the Colony, while they threaten to charge duty if such Catalogues bear the name of a S. A. Firm.

We further recommend that some adequate steps should be taken to ensure that each item in the Tariff is administered uniformly throughout the Customs Union, and that when the Customs Department are not conversant with technical details connected with any Trade, representatives of such Trade should be consulted before a definition or interpretation be given.

13473. *Chairman.*] You wish to give evidence on the printing industry?—Yes. I may say I only drafted my statement this morning, because I only received notification this morning to appear. Therefore I have not dealt with many points. I will be pleased to answer any questions on the statement.

13474. Has the last tariff been any benefit to the printing trade?—Yes.

13475. It has increased your work considerably, I suppose?—It has been of benefit to us.

13476. We had evidence the other day that a lot of work cannot be done here because the price is so much higher. We had an instance of work which cost some £67 more than the imported price after paying duty—Juta's Directory?—My firm quoted; but the type is kept standing and the alterations are made every year.

13477. The difference was that the thing was set up at Home and there were small alterations to be made?—There would be a number.

13478. Comparatively small?—Yes.

13479. Whereas in the Colony you would have to set up the whole thing?—Yes. Of course after the first year we should have it set up.

13480. The bigger difficulty was in the educational catalogue, which was 100 per cent. more. I suppose you are aware the printers in the Transvaal want protection against you down here?—So I hear.

13481. How can you provide for that?—I do not think we can provide for it; it is more a matter for the Commission.

13482. You would not be satisfied, I suppose, if you only got the printing trade of the Peninsula?—No. We do a large amount of work through the Colony.

13483. What is your proposal?—We do not ask for an increase here. If we get it we will be well pleased.

13484. They ask for 50 per cent. in other places?—In Port Elizabeth, I understand. I am authorized by one of the leading printers in East London to say they agree with our proposal here. They would like more, but we do not want to ask for more. It has been continually thrown in our teeth that the printers have the largest tariff of all the manufactures. Certainly we have benefitted: but for that increased tariff at the last Convention a great many more hands would have been thrown out of employment.

13485. *Mr. Scott.*] The printing trade in the Colony is a very large one?—Yes.

13486. Have you given any idea of the amount of capital involved?—Throughout the Colony?

13487. Yes?—I have not got that.

13488. Have you got it for Cape Town?—No. I can say in our own business we reckon our plant is £53,000.

13489. That does not include buildings, I suppose?—No.

13490. What company is it ?—The "Cape Times."

13491. And the buildings ?—I could send you information.

13492. Can you give us any idea of the amount of wages paid annually ?—I should think the number of employees in Cape Colony would be about 5,000 altogether.

13493. So you represent a very large industry ?—One of the largest industries.

13494. Now, with regard to those catalogues, of which there has been so much said. You make the suggestion that catalogues of *bona-fide* wholesale manufacturers, when addressed to the importers and merchants, be admitted free ?—Yes.

13495. You think that would be a solution of the present difficulty ?—Yes.

13496. Do you make any suggestion with regard to the amount of duty that should be paid on these catalogues ?—Single copies coming in from *bona-fide* manufacturers to importers here should come in without being charged. Otherwise we recommend that the tariff should continue as it is.

13497. And that you pay so much per pound ?—25 per cent., or 2d. a lb., which ever is the greater.

13498. Large numbers of catalogues are posted to South Africa and distributed all over the country ?—Yes, a great many of which could be prepared here. For instance, a number of American firms send every week throughout South Africa what they call "Prices Current." One copy could be sent to the agent here, and any printer could keep that form standing, and make the necessary alterations within an hour or two after the mail comes in. That would give encouragement to the printer, and there would be local work used in addressing envelopes, and also the Post Office would get the revenue from the postage.

13499. The complaint is that printers charge so much for this work ?—Then let all catalogues come to the agent here instead of the individuals, and let him pay the duty on them. They would then be addressed and posted here.

13500. You know the merchant says you are a stultifying trade. Even if that is done you are preventing the free circulation of printed matter for business purposes ?—It is mostly done by people who pay nothing to the upkeep of the Colony—people with an office here, who give no revenue but induce people to send money out of the Colony.

13501. What is the practice in other Colonies ?—Very similar to ours. Here is the Canadian duty. They say : "Where a large number of catalogues are required to be distributed in any particular Colony the Manufacturers' Association recommend the catalogues should be forwarded in bulk to an agent on the spot, who will be requested to pay the duty and post them locally." For Australia they can prepay the duty by applying to the Agent-General in London for the necessary stamps.

13502. That is your suggestion with regard to that difficulty ?—Yes. It is a small matter after all—the manufacturer's catalogue to an importer here.

13503. You, as printers, do no seek to put any barrier in the way ; you would like to see anything which would assist trade ?—Yes, and we recommend that here.

13504. With regard to the administration of the tariff on printing, you make a complaint in your statement that the Customs should refer to the printing trade when in doubt ?—We mean in any trade that representatives of such trade should be consulted. We have had numerous interpretations here, and the same interpretation does not hold in Port Elizabeth or East London or Natal.

13505. Does not the Customs Department as a rule consult the trades ?—No.

13506. You would never get to any finality ?—It is ridiculous. We have made representations to the Customs Authorities and they have passed them over, but after a month or two they have come to our interpretation.

18507. At any rate, you make that suggestion, as practical men, to the Cuitoms ?—Yes.

13508. We had it in evidence the other day that you cannot produce certain cheap account books at anything like the price ?—I should not think so—not the very cheap account books.

13509. Should you differentiate between the cheap account books and the others ?—I do not think so. We could not get the cheap labour to make them here.

13510. We have also been told that you cannot make these posters and billheads and that sort of printing cheaply enough and that it is a hindrance to trade. I think one witness in the East said these could not be produced in the Colony ?—I quite believe it there, because they have not the large machinery we have in Cape Town.

13511. Could your company produce those large posters if you had the order ?—Yes.

13512. At anything like the figure ?—It depends on the quantity. Take a draper's posters. There are firms in England who make draper's millinery posters and they supply one firm in Cape Town and another in Port Elizabeth. They manufacture for the whole of the British Colonies you may say. If Cleghorn & Harris came to us for a poster the same as they had had before, it was impossible for us to compete against the posters they had previously had, because we would have to go to the same expense in putting that poster on the stone as at Home, where they print perhaps 50,000.

13513. That is a stock poster, which would suit different people in the same trade in different towns ?—That is how it is done.

13514. Do you do illustrated catalogues for the drapers in town ?—I have done.

13515. Could you put in samples ?—Yes.

13516. We have it in evidence that that is also a difficulty with regard to the Colonial printer in the East ?—We have had a great many of these here lately.

13517. And how does the price compare with the Home price ?—Very favourably.

13518. Could you give any comparison now ?—I have no samples with me.

13519. Could you send in a comparison of the Colonial and landed costs ?—Yes.

13520. That is taking a number ?—Yes.

13521. There was a question raised in Grahamstown regarding the embossed Christmas Cards and so on. Are these produced in Cape Town ?--No.

13522. Do you recommend the duty should be suspended on them ?—We recommend there should be a certain duty on them. These are known as blank cards—Christmas cards, wedding cards, memorial cards, menu cards, and so on. There is not the population for any printer to get up a varied assortment. These are manufactured in Germany or England, and the printer purchases a thousand of these and a thousand of those, and so on. They come in blank and the "wish" is printed on here.

13523. I do not know that any suggestion has been made with regard to those cards, but it would be for you to make one ?—I should recommend that where they are blank they should be charged at the *ad valorem* rate of, say, 15 per cent., and where printed with a Christmas or other wish they should be 25 per cent., and the same way with wedding, memorial and these other fancy cards. We have raised that question, but the Customs authorities would not allow it to go through.

13524. We were told the other day that you paid exorbitant wages, and that that was the cause of the printing being so expensive ?—I do not know that they are exorbitant according to the cost of living here. Compositors run from £3 to £5 a week. In Johannesburg it is £5 10s. Our minimum wage for a compositor is £3 6s., whereas in the United Kingdom the average wage is 37s. 6d.

13525. He cannot very well live on less ?—Not with the present cost of living.

13526. So that information we got is not quite correct ?—No.

13527. Can you print jam labels ?—Yes.

13528. How do they compare ?—Very favourably I think. I will send in samples.

13529. Have you made any suggestion with regard to the length of the next tariff ?—We recommend that it should continue for at least five years.

13530. Could you print such a thing as this "Nestle's Milk" advertising billhead ?—Yes, but there may be millions printed by Nestle's and distributed to their customers.

13531. Is this a fair example to bring forward ?—Not as regards price. Nestle's and Colman's mustard people and others print these and send them to their customers free.

13532. *Mr. Pyott.*] We had the engineers before us yesterday, and they suggested a 25 per cent. duty on machinery. What is your feeling, as large users of printing machinery, about that ?--We would be entirely against it.

13533. You do not think the engineers have the right to the same protection as yourselves ?—They could not make the printer's machinery.

13534. You do not think it is a reasonable proposal ?—No.

13535. *Mr. Harlow.*] In reference to the poster-printing, could not a firm of the standing of some of the firms in Cape Town possibly print a stock of these posters if they could get a guarantee of the South African firms to deal with them ?--Yes.

13536. The fact of the matter is the smallness of the orders given is detrimental ?—It is prohibitive. That refers especially to lithographic posters; the letterpress posters are different.

13537. You can do the lithographic poster ?—Yes, we do it.

13538. It is not because you cannot do it, but because you do not get the encouragement from the people to do it in numbers ?—Yes. We would have to draw the figure, and it costs us more to do it here. We would have to draw the figure for 500 whereas the people at Home do it for 5,000.

13539. Do you find any scarcity of labour ?—Not at present. There is plenty of labour just now. In certain departments we cannot get the men we want. We cannot get good lithographers at present. We have been advertising for them for some time.

13540. In reference to the linotype workers, etc., is there a good supply of those in the Colony ?—No. There are plenty to do the work, but not an over abundance.

13541. Are you teaching any linotypers ?—No.

13542. What is the reason of that ?—I do not know. We were asked once, I think, if we would teach someone.

13543 You would not object to teaching any one who came forward to be taught ?—No. A few years ago I think a farmer's son came to see if he could learn the linotype. It was out of the question altogether.

13544. Are there not some who have learned this linotyping locally ?—I could not say.

13545. Can you do Bank printing, such as cheque-books ?—My firm is doing the work for the Bank of Africa, and the Standard Bank still import the bulk of their printed stationery.

13546. The Standard Bank is practically subsidised by the Government, is it not ?—I could not say that. The other Banks are asking us to give quotations, but for small quantities of stuff.

13547. The other Banks ask you for prices I take it ?—Yes.

13548. And the Standard Bank does not ?—They have done lately for small quantities of stuff.

13549. But they are sending the bulk oversea ?—Yes. The Bank of Africa are very satisfied with the prices we charge. We supply everything, including the cheques with the microscopic engraving.

13550. You have already stated you do not think the compositors' wages should be reduced ?—Not according to the present rate of living.

13551. But you know there is a tendency to reduce wages throughout the country ?—Not in our trade just now.

13552. In Port Elizabeth for instance ?—I have not heard so. In Johannesburg there is a slight reduction of 5s., but it has not come to Cape Town.

13553. I suppose you would object to it ?—If it can be proved to us that the cost of living is reduced, naturally wages will come down.

13554. As long as the cost of living remains as at present you will not reduce your printers' wages ?—I do not think so.

13555. Have you any trouble in getting apprentices ?—Good apprentices we have—intelligent boys.

13556. White boys ?—Yes. We do not employ coloured labour. We employ some Cape boys and girls.

13557. Are you teaching them the compositing ?—Yes.

13558. Is their work satisfactory ?—Yes.

13559. And you pay the off-coloured the same wages as the white men ?—Yes.

13560. By employing coloured labour you are not exploiting the coloured man as against the white ?—No.

13561. Are you satisfied with the present tariff ?—We would not object if it were raised, but we are satisfied with it at present.

13562. *Chairman.*] In Port Elizabeth there was a suggestion made about the advertising invoice heads. They wanted a special duty of 6d. a pound put on these. Do you think that is necessary ?—I do not know how the Customs would differentiate. We would have no objection to such a duty.

13563. Does it interfere with the printing trade ?—Naturally.

13564. Not materially, I suppose ?—Yes.

13565. The people at home using these would not have them printed here ?—I do not know.

George Herbert Parkhouse, of the "South African News," Ltd., and *Percy Williams*, of the "Cape Times," Ltd., representing the Cape Town Branch of the South African Typographical Union, examined:

13566. *Chairman.*] What body do you represent?—*Mr. Parkhouse.*] The South African Typographical Union.

13567. You wish to give evidence on the printing industry?—Yes.

13568. Will you state what you want to lay before the Commission?—Regarding the conditions in the printing industry, you have had evidence from Mr. Yallop and Mr. Smail. Mr. Yallop said the wages were above what they should be, and Mr. Smail says the wages are fair. I wish to state, as a printer of 25 years' experience, that the wages are not fair, and for a married man are not a living wage. Three-fourths of the compositors belong to my Society in Cape Town, and we are here to represent their views. I am always receiving complaints that it is not possible to live on these wages.

13569. That does not affect our scope of inquiry. If you altered the Customs Tariff it would not alter the wages?—You will find all I say bears on the subject. I mean to say these imported men are sending their wives and families to England because they cannot live on the wages out here, which is not to the benefit of the country, and if a substantial tariff were put on the employers would be able to pay a fair rate of wages, which they cannot do now because they have not the amount of printing.

13570. We have it in evidence in other things that if they give protection imported coolie labour is being employed in other places. The employers would pay the lowest rate of wages. Even if they get double the Customs Tariff they would not increase the wages unless they were obliged to?—We are working out of loyalty now, because we know they cannot pay a higher rate of wages.

13571. Do you want the duty increased?—I want it 25 per cent. more than it is at present. I want it raised to 50 per cent. to be of any use to this Colony. Regarding the effect of suggested amendments in the Customs Tariff, first on the industries concerned, I believe if you were to raise this to 50 per cent., as there was £63,125 worth of printing sent to Europe in the last nine months, the whole of that would be done in the Colony, and the wages would naturally be constant in the Colony. Regarding the cost to the consumer, it would cost him a little more, but he would get his money back in the extra circulation, and the Colony would benefit in the same way although it lost the Customs dues. On Question 3 of the terms of reference, I should say the whole of the raw material should come in free. I naturally suppose this tariff would last for five years, and during that time a paper-making industry would probably be established here. Until then I should suggest all material for the printing trade coming in free. I do not know that we require any preferential rates, because I believe in every Colony doing its own printing; I do not believe in sending printing to the other Colonies.

Mr. Williams.] The first point I would like to bring before the Commission is a recommendation that the duty on imported printed matter be increased to 50 per cent., so as to allow of sufficient protection for the printing industry in the Colony in competition with oversea cheap labour. I understand it has been stated before this Commission that the rates for printing in the Colony at present are exorbitant, and also that the wages are exorbitant. As regards the rates, the cost of printing here must first of all be determined by the wages that are paid to the employees, by the cost of the raw materials coming into the Colony from oversea —that is raw materials that cannot be produced in the Colony—and also machinery. Printing machinery at the present time is not being produced in the Colony. I do not see any particular reason why it should not be, but at the present time it is not. Referring to the printed matter coming into the Colony, I have taken several items from the Statistical Register. The imports of printed matter into the Cape Colony for the nine months ended September, 1907, were as follows: Cape Town, £26,602; Port Elizabeth, £26,586; East London, £9,131; Mossel Bay, £541; and other parts £265, making a total for Cape Colony of £63,125 worth of printed matter. For Natal the figures run to £25,148; Transvaal, £36,324; and Rhodesia, £4,779—or a grand total of £129,376 worth of printed matter imported into the various Colonies of South Africa. These figures do not include books, periodicals, etc., for which the figures are £126,684 for Cape Town, £30,384 for Natal, £41,213 for the Transvaal, and £2,785 for Rhodesia. With regard to that £129,000 worth of printed matter for Cape Colony, three-quarters of it at least should be done in the Colony, for this reason: Take Cape Town alone. In one printing firm alone no less than £40,000 was paid in wages last year. I can guarantee that considerably over £30,000 of that amount was spent in the Colony, that is, it was distributed amongst the various Colonial tradesmen. Now it is only fair that these tradesmen should have their printing work done in the Colony, and thus assist those from whom they in their turn receive a considerable portion of their business. There is no doubt that the wages here are considerably higher than in England and other Continental countries, like Holland and Germany, where at present a large amount of printed matter is executed for the Colony. But so also is the cost of living as compared with these same places. Take, for instance, the question of house rent. Even in the suburbs of London an eight-roomed house can be obtained at 8s. per week, or 35s. per month. Here a four-roomed house can hardly be obtained for less than £4 10s. That is, a house half the size costs more than double in the way of rent. Other items are equally heavy. The present minimum wage in the printing trade is just a bare, and a very bare, living wage. From an educational standpoint as regards the printing trade, a higher standard of education is required than in many other trades. An apprenticeship in most places of seven years—five years in the Colony—has to be served before proficiency is obtained. In addition to this, for those especially who take up the artistic side of the trade, a continued course of study is necessary to keep themselves and their ideas up to date, meaning no inconsiderable outlay in the purchase of books, etc. And in the majority of cases these men receive just the bare minimum wage—which was referred to by one gentleman as an "exorbitant wage"—of £3 6s. per week of 50 hours. I do not know whether it would interest the Commission to give the figures of the twelve principal towns in England. According to our calculations, if 50 per cent. duty is placed on the printed matter coming into the Colony that will keep practically all the printed work required by the Colony in the Colony. That is my chief point in that connection. Of course, if the Commission could not recommend 50 per cent., 40 per cent. would have the effect of retaining a considerable amount of printed matter in the Colony. There is no doubt the 25 per cent. duty already imposed has been of considerable benefit to the trade, but at the time that 25 per cent. was first introduced, I understand, the oversea firms reduced their prices in some cases as much as 20 per cent. in order to meet it, so that to some extent that has been of very little advantage in that connection. The next suggestion I would make is that "printed matter" include any printed or lithographed or partly printed or lithographed posters, or any printed or ruled paper, including account books (ruled) whether printed or unprinted. The next question is as regards catalogues, 25 per cent. or 2d. a pound was placed on catalogues coming through the post originally by the last Convention. I believe at the present time the duty is only charged on catalogues over half-a-pound in weight, and on these I understand an average duty of something like £25 per month has been charged, but for some reason or other catalogues under half-a-pound have been coming in free. I think that was quite apart from the intention of the members of the previous Customs Tariff Conference. In that connection we would suggest: That all price lists and catalogues of any description* entering the Colony through the post be subjected to a duty of 4d. per lb., with a minimum of 2d. for each catalogue—that is working on the 50 per cent. basis—this Clause to include all matter of an advertising nature, almanacs, calendars, show-cards, bills, folders, posters, containing any printed matter whatever. The next point I would like to bring forward is still as regards these catalogues: That in order that the Colony may receive due remuneration for postal delivery—as at present many dutiable catalogues are refused by the addressees owing to the Customs dues, and consequently the Colony derives no benefit from the attempted delivery of the same—I would recommend that the Agent-General in England be supplied with a stock of Colonial stamps for sale to firms sending catalogues and other dutiable material to the Colonies by post, these Colonial stamps to be affixed to said catalogues by way of duty in addition to the ordinary postage, so that the Colonial Revenue shall derive the full benefit of the same. I may say that is at present being carried on in the Australian Commonwealth.

The Secretary.] Anyone sending out catalogues now can buy the revenue stamps from the Agent-General. It was put through about six weeks ago.

Mr. Williams.] As an alternative to this proposal, that all catalogues be forwarded in bulk and, after duty has been paid, posted at Colonial rates. I believe previous to the 25 per cent. catalogues could be sent here, printed, folded and posted in England, at a very much cheaper rate than it could be done in the Colony. As regards raw material, we recommend: That all raw material required in the printing industry be admitted free of duty, including all kinds of plain—that is, unprinted or unruled—paper, bookbinders' requisites, printing inks, all materials used for the purpose of making process blocks, and for stereotyping purposes, and printing and ruling and lithographing machines, until such time as the same can be satisfactorily produced in the Colony. Our idea is that on anything which can be produced in the Colony there should be a heavy duty, but in regard to articles which cannot be produced in the Colony it is practically paying through the nose to have any duty on. At present, in connection with the making of process blocks, there are certain things on which duty is charged coming in, but process blocks coming in ready-made come in duty free. The same with stereos. The other point I would like to bring forward is that when questions arise as to technical details some competent representative of the trade should be called in as adviser before any definition or interpretation of these matters be finally decided upon.

13572. *Chairman.*] Will you hand in the particulars of what stereos, etc., the duty is paid on?—I will do so.

13573. *Mr. Kayser.*] I would like you to amplify a statement you made. You said when the duty on printing material was increased to 25 per cent. the oversea firms reduced their prices 20 per cent. to meet it?—Yes.

13574. Have you anything to prove that?—I have no documentary evidence of any description, but I think I can get a statement to that effect.

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* *Vide* note at end of evidence.

13575. I should like catalogues and quotations to prove that statement. It is a very big discount, and I want to point out that the duty was only increased from 10 per cent. to 25 per cent., so that the people would be giving an extra 5 per cent?—I would not like to bind myself to saying it was 20 per cent., but it was a considerable reduction.

13576. You said it was 20 per cent., whilst the increase was only 15 per cent.? I will endeavour to get you the definite particulars.

13577. I would like you to put in price lists showing the prices for the same article before the new tariff came into force and after, to prove the statement you have made that the prices of printed matter were reduced 20 per cent. Are you representing any body?—We are representing the Cape Town Branch of the South African Typographical Union.

13578. I understand in your trade apprentices are engaged?—Yes.

13579. So to a certain extent the youth of the Colony is being taught the trade?—We have some 12 or 14. There are several in our composing room at present learning the trade.*

13580. How many apprentices are allowed according to your Union?—One to five journeymen.

13581. Your Union will not allow an employer to have more than one apprentice to five journeymen?—That is according to our rules.

13582. That only allows a limited number of the youths to be educated?—Yes, but until recently there have been very few.

13583. *Mr. Tod.*] You said three factors enter into the question—that is, wages, labour, and machinery?—Yes.

13584. You have also given the importations into Cape Colony for nine months?—Yes.

13585. You seem to have given the subject a great deal of consideration. Can you say what proportion of the £129,000 worth of imported printed matter would represent the labour?—That would be rather difficult to get at.

13586. Is the material more valuable than the labour?—I should reckon about a third for labour. I have not gone into that subject fully.

13587. What I want to point out is that at the present moment you can introduce your raw material free?—Certain portions of the raw material are dutiable.

13588. Therefore all the protection you want is against the labour at the other side?—Yes.

13589. If you import £100 pound worth of printed matter the duty at present is £25?—Yes.

13590. As you get the material for that in free that £100 worth of printed matter only leaves £33 worth of labour; therefore you have a protection to the extent of £25 on £33, which is about 75 per cent. That is really the protection you have for your labour. Put it another way. Supposing half of the value is labour and half material. If the printed matter is brought from England you not only pay the duty on the labour, but on the value of the raw material as well. Assume for the sake of argument that £50 is the value of the labour; therefore under the present tariff you get a protection of 50 per cent. as far as labour is concerned. Now, what is the difference in the rate of wages here and in England?—In twelve large towns in the United Kingdom it is as follows:—Belfast, per week of 52½ hours, 34s.; Birmingham, 52 hours, 34s. 6d.; Bradford, 51 hours, 33s.; Bristol, 52½ hours, 31s.; Cardiff, 52½ hours, 32s.; Cork, 52½ hours, 32s. 6d.; Dublin, 52 hours, 35s.; Edinburgh, 52½ hours, 32s.; Leicester, 52 hours, 34s. 6d.; Liverpool, 51 hours, 36s. 6d.; London, 52½ hours, 39s.; and Sheffield, 51 hours, 35s. That is an average of 34s. a week.

13591. What is the average here?—£3 6s. a week.

13592. About double the wage?—Yes.

13593. Therefore you want a protective duty to equalise that?—Yes, for the simple reason that the expenses here are practically double what they are at Home in a good many instances—more than double in many instances.

13594. *Mr. Pyott.*] On question No. 3—as to the proportion of raw material which should enter into the manufacture to claim preference over the railways—have you thought over that question at all?—We have not dealt with railway rates, because we consider each Colony should as far as possible deal with its own printed matter.

13595. You are not prepared to speak on the preferential railway rates with regard to Colonial manufactures?—*Mr. Parkhouse.*] We do not require it.

13596. You get it to-day?—*Mr. Williams.*] I could not say. I would like to point out that the amount of printed matter sent from the Cape Colony to the other Colonies in the Customs Union, for the nine months ending September

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* *Vide* notes at end of evidence.

30th, 1907, of South African production was £7,174 worth and of other than South African production £14,677 worth.

13597. You are not prepared to speak on that point?—No.

13598. *Mr. Scott.*] How do the wages here compare with other British Colonies?—I can send in a statement of that, to be perfectly correct. Otherwise I can only give it offhand.

Mr. Parkhouse.] In Melbourne I believe the wages are £3 a week. Of course you can live there very much cheaper than here.

13599. How does it compare in New Zealand?—*Mr. Parkhouse.*] I could not say. I believe in New York it is about £3.

Mr. Williams.] I think it is £2 17s. 6d. in New Zealand, but would not be sure.

Mr. Parkhouse.] Why we speak of wages and the cost of living as having such a bearing is because people are not keeping their wives and families here: they send them to England. Three-fourths of the people employed in the printing trade are either single or have their wives and families at Home.

13600. *Mr. Harlow.*] Do you know the rate of wages in Canada?—Perhaps this would be of interest. [*Mr. Williams.*] I find I have a book here giving the wages in Australia. The rate of wages at Adelaide, per week of 48 hours, is £2 15s.; Brisbane, 48 hours, £2 12s. 6d.; Sydney, 48 hours, £3; Victoria, 48 hours, £2 12s.*

13601. Do you think the wages in Canada compare favourably with the cost of production?—The wages there are much higher in comparison, I should say, than here.

13602. Do you know the duty on printed matter into Canada?—Yes. For a large amount the British preferential tariff is 10 cents per pound, and general tariff 15 cents; for another section 22½ per cent. British and 35 per cent. general: for books and works of fiction, etc., 15 per cent preferential and 25 per cent. general; and for bank notes, bills of exchange, etc., preferential 22½ per cent., and general 35 per cent.

13603. So according to that tariff you are not asking for more than other Colonies have in proportion?—We are asking for considerably less. It is 6d. a pound in Australia, and we are asking for 4d.

13604. You mention having your raw material in free?—Yes.

13605. How will that affect other manufacturers?—We mean raw material which cannot be produced at present in the Colony. For any material which is at present being produced here, we certainly say put the duty on.

13606. You know there is no paper produced here at present?—Yes, and I think it is very doubtful whether there will be in any quantity for some considerable time. There are two difficulties—one the small amount of wood and other material that would be available, and then the difficulty as regards water. There is plenty of water at some places, like up the Zambesi, but the question of the carriage rates comes in there as a drawback.

13607. Would you suggest that all paper come in free?—All plain—that is, unprinted—paper should come in free.

13608. For all purposes?—Yes.

13609. In reference to machinery, do you think the printing trade should pay a tariff on machinery coming in?—That, again, depends upon whether it can be produced in the Colony. At present there is none produced here. I do not see any reason why it should not be. If it can be produced satisfactorily in the Colony, put on the duty.

13610. You know we have some large engineering works and thoroughly competent engineers?—For that reason I see no cause why it should not be produced here, except perhaps that the requirements would not be sufficient to justify a heavy expenditure on the special plant that would be necessary for the manufacture of printing machinery.

13611. You think it would be no injury to the trade if a duty were put on machinery coming in?—Provided the firms in the Colony will guarantee to make the printing machinery.

13612. They make spare parts?—Certain parts.

13613. With reference to magazines and periodicals coming in with a great deal of advertising matter in them, have you any suggestion to make?—I think in that connection the classification made in Canada would be as good as anything. Advertising and printed matter—that is, advertising pamphlets, advertising showcards, illustrated advertising periodicals, price books, catalogues, and price lists: advertising almanacs and calendars; patent medicine or other advertising circulars, fly-sheets or pamphlets; advertising chromos, chromotypes, oleographs, or like work produced by any process other than hand-painting or drawing, and having, any advertisement or advertising matter printed, lithographed, or stamped thereon, or attached thereto, including advertising bills, folders, and posters, or other similar artistic work, lithographed, printed, or stamped on paper or cardboard for business or advertisement purposes—has a tariff of 10 cents and 15 cents per pound.

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* *Vide* notes at end of evidence.

13614. Say that a magazine comes in with one-half practically advertisements, would you stipulate as to the amount of advertisements to be allowed?—The amount that should be allowed in a magazine for it to come in as at present?

13615. Yes?—Perhaps it would be rather difficult to fix a limit.

13616. The Australian tariff does not allow any magazine to come in without extra duty which contains more than one-fifth of the bulk in advertising matter?—I should say that would be fair.

13617. Do you think that would be a feasible proposition?—I do not see why more than one-fifth should be advertising matter.

13618. Do you think it would raise the revenue of the Colony or stop a great deal of the advertising matter coming in free?—It would stop a great deal coming in free.

13619. Is there any other way, do you think, in which your trade could be benefitted with the exception of the Customs Tariff?—I do not know whether in speaking on this subject I am exceeding the scope of the enquiry, but in such ways as by the introduction of a Factory Act, Fair Wage Clauses, Wages Board, and the like, certainly.

13620. You mean labour legislation?—Yes.

13621. If this tariff which you suggest were put on, do you think it would benefit you, as working men, at all?—Our idea is to keep the printing work in the Colony and consequently keep our men employed. The more work is kept in the Colony the more men will be employed.

13622. Therefore why you suggest labour legislation should be in vogue is as a protection to yourself?—Quite so, and of course it meets both the employer and the employee as well.

13623. Is there any difficulty in finding men in this Colony to do the work?—No difficulty whatever.

13624. There is another question. Do you think these seed packets and so forth coming into the Colony could be printed here?—There is no reason why anything should not be printed here.

13625. Do you think the machinery is here to do them?—I can guarantee there is sufficient machinery at present to do it, and in the event of an increased duty I am advised that considerably larger plant would be introduced, in order to do these things.

Witness elaborates certain points in his evidence as follows:—

In his answer to question No. 13571—

"It has been suggested in some quarters that 'wholesale' catalogues should be allowed in free, but we see two objections to such a course (1) The difficulty of accurately defining what constitutes a 'wholesale' catalogue and where to draw the line. (2) That by allowing wholesale oversea catalogues in free we should be handicapping such Colonial 'Wholesale' firms as are at present or may in future become established here."

In his answer to question No. 13579—

"Referring to the question of linotype machines I would like to point out to the Commission that some 50 per cent. or more of the hands at present engaged on these machines in Cape Town obtained the whole or practically the whole of their knowledge of these machines in the Colony."

In answer to question No. 13600—

"In Canada the rates of wages are:—

Montreal	48	hrs. per week,	£3 10s. 10d.—£3 15s. 0d.	per week.
Toronto	45	„ „	£3 15s. 0d.	per week.
Quebec	45	„ „	£2 10s. 9d.	„
Nelson, B.C.	45	„ „	£4 7s. 6d.	„
Greenwood, B.C.	48	„ „	£4 7s. 6d.	„
Dawson, Y.T.	48	„ „	£46 17s. 6d.	per month."

Railway Rates.

Walker Binns, Expert on Railway Rates in the Cape Government Railway Department, examined:

Witness.] I have here a statement of answers to certain questions [*handing same in*].

QUESTIONS.

The Railway to consider whether it is practicable to arrange a tariff that will meet the objections of manufactures not at the Ports of the Colony.

13626. A. A Tariff that will carry materials for manufacturing at low rates.

13627. B. A Tariff that will carry Colonial manufactures on a graduated mileage basis.

13628. C. A Tariff for imported manufactures at a higher rate.

The objections to the present railway tariff by all inland towns and other Colonies is that the railway tariff in the past and present has had a distinct influence in drawing all manufactures to the Ports.

ANSWERS.

A. A tariff could be fixed which will carry raw material at a lower rate than the manufactured article. But it would mean a re-adjustment of the Railway Rates; to give one example: public policy has dictated that South African manufactured agricultural implements and machinery shall be carried at the Third Class rate, which is approximately half the Second Class rate, but the raw materials used in their manufacture are conveyed, iron at Second Class less 10 per cent., and timber, Second Class, less 33⅓ per cent. To give effect to what is sought it would be necessary to place iron and timber in a lower Class and agricultural implements and machinery in a higher Class than at present. This, necessarily, would involve a dislocation in railway revenue.

In cases where the same article is used for both manufacturing and other purposes--say building--as in the case of iron and timber, it would not be practicable to differentiate and make two rates therefor according to the purpose for which the material is to be used.

B. The Class "C" rate, which is applicable to wheat, wheaten meal, and flour, and fruit and vegetables, was fixed by a Resolution of Parliament; it is ½d. per ton per mile plus 20d. per ton terminals for distances of 31 miles and over, for shorter distances a higher rate is imposed. The Class "B" rate, which is applicable to forage and grain, other than wheat, wheaten meal and flour, was fixed at the Customs and Railway Conferences at Maritzburg in March, 1906; it is ¾d. per ton per mile for distances of 100 miles and over, for shorter distances a higher rate is imposed. Graduated mileage rates could be established for these Classes, viz., B and C, if desired by the Government, but as regards through booking to the Transvaal and Orange River Colony it would be necessary to obtain the consent of the other Railway Administrations. Other Classes in which South African manufactures are placed, viz., Third Class and 2b (which is Second Class less 20 per cent.) are already on a graduated mileage basis, with the slight exception that the rate to Kimberley from Cape Town and stations up to and including Wellington is the same; this arose through our having to reduce our rates from the Ports to meet competition at Kimberley from Delagoa Bay and Durban.

C. This is answered by A.

13629. *The Secretary.*] Certain questions regarding railway rates have been brought out in evidence. At King William's Town the Kaffrarian Milling Company brought up the question of mealie meal in bags, which is carried at ¾d. per ton per mile, whereas when packed in small tins or wooden boxes to make it a more saleable commodity as a breakfast food it has to pay Third Class rates.

Witness.] Yes.

13630. *Chairman.*] That also applies to oatmeal?

Witness.] Yes.

13631. *The Secretary.*] Mr. Clurr, a furniture maker, illustrated the effect of the railway rates on manufacturers in the inland towns. The carriage on certain raw material (timber) from East London was £37 11s. 6d., whereas if the material had been manufactured in East London into furniture the carriage would only have come to £23 or £24. The rough timber pays a railway rate of 9d. per 100 lbs., and so does the manufactured article. Mr. Ginsberg, giving evidence on candles, pointed out that although the duty on candles was raised from ¼d. to ½d. per pound, the railway rate on the imported article was lowered; that is the in transit rate.

Witness.] Yes.

13632. *The Secretary.*] Tallow is carried at Third Class rates, and he wanted it put in Class C. He also wanted empty casks, sent to be filled with tallow, to be carried at a very low rate or free. He illustrated that at the present time they sent tallow in a paraffine tins, which was very inconvenient, and if the railway would carry the casks at a very low rate they would get rid of the tins. He drew attention to the minimum rate on the C.S.A.R. as it affects the small shopkeeper who may order five boxes of candles.

Witness.] What was his point there? Was it a low minimum rate?

Mr. Kayser.] 10s. I think.

Witness.] Was he comparing it with ours, or did he want it reduced?

Chairman.] He wanted it reduced.

13633. *The Secretary.*] At Kimberley Mr. Henry Schmidt drew attention to the fact that Colonial brandy is carried from Port Elizabeth to Kimberley at 3s. 8d. per 100 lbs. and groceries at 7s. 5d. Mr. Gasson, a chemist, of Kimberley, pointed out that empty medicine bottles and those used for syrups and cordials pay first-class rate, whereas when filled with a Colonial manufactured article they get the benefit of Colonial rates. Mr. Stratten, of E. W. Tarry and Co., Kimberley, drew attention to the fact that tanks come up at the third-class rate, or 3s, 8d. per

100 lbs., whereas iron for making the same pays 7s. 5d. per 100 lbs. Again, farm gates come up at the fencing material rate, which is 1s. 1d. per 100 lbs., whereas the material for making these pays 7s. 5d. per 100 lbs. Further, the material for making agricultural or irrigation machinery pays at least 7s. 5d. per 100 lbs., whereas the made-up article only pays 3s. 8d. Anti-friction grease made up at the coast pays 3s. 8d. per 100 lbs., whereas the raw material costs 6s. 8d. or 7s. 5d. Mr. Hollingworth, of Kimberley, also gave evidence on the points referred to, and also drew attention to the railway rate on ingot tin—second-class rate—which is practically undamageable. He pointed out that even if there was a fire on the train it would not damage the tin for his purpose. Mr. Stratton also put forward the proposition that the railways should be worked as nearly as possible on the basis of the cost of carrying the goods. Mr. Sonnenberg, of Vryburg, pointed out in regard to anomalies in the railway rates that a cake is carried at a lower rate than the materials for making it, such as currants, raisins, and lemon peel. He also pointed out that ironmongery generally for wagon-making pays a higher rate than the wagon made at the coast would pay. Soap made at the coast pays 4s. 8d. per 100 lbs., whereas the rate on one of the ingredients—caustic soda—is 9s. 8d. per 100 lbs. At Cradock Mr. Hyam stated that the railway rates on raw materials for furniture, such as marble and glass, were very much higher than on the manufactured article—when the marble and glass were put in the finished article made at the coast; therefore he could not compete. Mr. Moys brought forward the rates on sheet metal, chiefly galvanised iron for making tanks. Tanks made at the coast were charged 1s. 10½d. per 100 lbs. and the galvanised iron 3s. 4½d.

Chairman.] Those are the principal points that have been brought before us at different places, and it is on those points I based these questions to a certain extent, because it appears, from a manufacturing point of view, the manufacturers seems to want to be put on an equal basis at all places—that is, with no preference to the coast towns.

Mr. Tod.] I think it would be of value to get from the Railway Department their views on this differential railway rate.

The Secretary.] That is, the effect on the railway revenue if the Colonial produce rate of ¾d. per ton per mile was levelled up to 1d., and the imported rate reduced from 1¼d. to 1d. per ton per mile.

13634. *Mr. Tod.*] Or a better way to put it would be, what even rate would you require to produce the same revenue you are getting to-day if you did away with the differential railway rate?—*Witness.*] On produce?

13635. That is the differential railway rate as against imported, both in regard to imported produce and imported manufactures. In the case of manufacturers they are giving a rebate of 20 per cent. for Colonial goods?—That is so.

Mr. Tod.] What even rate would be required to bring in the same revenue? Then also in regard to produce, tell us what even rate you require to bring you in the same revenue.

13636. *Dr. Viljoen.*] I want to know about the railway rate on agricultural products conveyed to the port for export. At present it is ¾d. per ton per mile for local consumption?—That is so. We have a reduced rate now for export, which makes it for short distances one halfpenny and for long distances one-third of a penny.

13637. What would you consider Caledon to the Docks would be? I refer more particularly to the export of oats?—The rate from Caledon to the Docks for oats for export would be 3s. 11d. a ton.

13638. Per Colonial ton?—Yes.

13639. What was it formerly?—It was formerly 6s. 8d.

13640. It is 3s. 11d. now?—Yes.

13641. That includes terminals?—Yes, that is so.

13642. That includes everything except loading on the boat?—Everything except shipping. Then you have to pay a shipping charge and wharfage.

13643. You have reduced it by about 50 per cent.?—Yes.

13644. Since when? Is it since the export?—Yes—four or five months ago.

13645. There was no necessity for exporting until about six weeks ago?—I can give the exact dates.

13646. That is in consequence of the export of oats?—I may mention that long before we commenced to export oats that rate was in force. I will tell you how it arose. The Transvaal and Orange River Colony gave a reduced rate for mealies, and we had to follow suit and give a reduced rate for grain from our Colony.

13647. In sympathy?—Yes.

13648. *Mr. Tod.*] Is the rate you have just given on a par with the rate now given by Natal for mealie export?—That would be practically on the same basis, 13649. *Dr. Viljoen.*] Would that apply to all agricultural produce for export? —It applies to all grain except wheat.

13650. It does not apply to other produce?—No—only grain, except wheat, for export.

13651. Cereals, except wheat?—Yes.

13652. Solely for export?—Yes, beyond South Africa.

13653. That would not apply to export to German South West Africa, for instance?—At first I think they excluded German South West Africa, but they are now considering whether they ought not to include it.

13654. To include it as oversea?—Yes. I think, as a matter of fact, they have considered it as oversea beyond South Africa.

13655. That is only lately?—About a week ago.

13656. I know that was one of the grievances?—Yes.

13657. *Mr. Pyott.*] Does this rate apply to lucerne and compressed forage for export?—No. There is no special rate for forage.

13658. Or lucerne hay?—No.

13659. *Dr. Viljoen.*] This is a very interesting question. If you apply the principle of having a reduced rate for export purposes—we are talking of export purposes pure and simple—if you apply that principle to cereals other than wheat, why is it not applied to other agricultural produce, and why is it not applied to wheat?—I suppose the idea was to encourage the export of cereals, but in regard to forage, I think if the Government were approached they would consider a reduction for forage.

13660. I do not think forage would ever be exported, because it is too bulky, but lucerne and compressed fodder and compressed chaff would be—anything compressed?—I think the Government would favourably consider any proposal if the producers think they can introduce an export trade.

13661. The principle would hold good for all those things, because we do not want to favour one particular part of farming against another?—Yes.

13662. Why do you not apply it to wheat?—The reason was that there was not sufficient wheat in the country.

13663. You wanted to stop the exportation?—That was the idea.

13664. *Chairman.*] These reduced rates do not apply to differentiation within the Customs Union?—No. The idea of the export rates is to find an oversea market for South African products when the local market is glutted—to find a market outside the Union.

13665. *Mr. Harlow.*] In reference to the carrying of stone from the quarries upcountry, the complaint of the building trade is that the railway rates are practically killing trade. The present rate is C18, namely ½d.?—Yes.

13666. With 1s. 8d. per ton terminals?—That is right.

13667. And they want to know, considering it is all on the down grade to the coast where the stone is used, if the same rate could not be applied to that as is applied to lime for fertilizers—that is C24, ¼d. rate with 10d. per ton terminals. At the present rate of carriage, a cube foot of stone from the quarries to the town averages 2s. 6d. a foot, which absolutely debars it from being used. There are a great many men employed in the trade, and there is not a great deal of stone brought down, and as empties are going past the quarries they want to know if this rate could not possibly be introduced, so as to be able to erect a better class of building, and also give an impetus to the trade if possible. Take the 1s. 8d. per ton terminals at a place like Woodstock. In some cases to bring a truck of stone down from upcountry—that is the Orange River Colony, although I wish to refer to Cape Colony particularly—after all charges have been paid to land it in Woodstock it amounts to over £20, and they have to pay 6s. a day for using the platform for landing purposes and find their own labour?—Where do you want to bring the stone from?

13668. Queenstown and that district—Stormberg. I fancy there is no stone about here?—In reply to that, the Government has reduced the rate on stone the last seven or eight years gradually, till it is now ½d. per ton per mile, plus terminals. They say they cannot afford to carry it at a lower rate. The rate, ¼d., for fertilizers—lime and manure—was sanctioned by the Government to help farmers, but whether they will help the builders to the same extent I do not know. I should not call ¼d. a paying rate at all.

13669. They suggest a point to point rate of 1s. per cube foot be charged, which will mean practically 12s. to 12s. 6d. a ton?—Yes. That would be less than ¼d. per mile. It is all a question whether the Government could afford it.

13670. There is not a great amount required at present?—As a matter of fact, stone is coming over from Queenstown. It is a long way to carry stone—700 or 800 miles.

Chairman.] I might mention, casually, that a man complained about a siding at Kimberley.

13671. *Dr. Viljoen.*] That is not alone in Kimberley, but places near to Cape Town—the big companies, where they have to put in their own sidings, and you charge 5d. and in some places 10d. a ton. They have to load and get this out to the main line?—Yes. Of course, this siding charge is universal; it is charged in all parts of the world—such as Australia, and on the C.S.A.R., and in Natal. I do not think it is charged in England, but it is in most Colonies.

13672. *Mr. Scott.*] Is that charge made on the privately-owned siding here and in the other Colonies?—In the other Colonies you have to pay for the laying down of the siding and also for the haulage of the trucks in and out.

13673. *Mr. Kayser.*] The man's complaint at Kimberley was that the railway wanted to charge him £1,000 for which he thought himself £500 was sufficient?—Of course that is not my department.

13674. He said, "They wanted to charge me £1,000 and I have offered £500, and they are so pig-headed that they will not take it, whereas if they do so I can give them a thousand pounds' worth of traffic." The point is whether every man in that case would not claim 50 per cent. reduction. Of course, this sidings charge, as you point out, exists everywhere. The point I want to bring out is this: Was there not at one time a special rate for goods coming southward?—We have it now on a great many things.

13675. Not only for export, but any goods coming south?—Yes. We have it for coal, stone, manure, lime, and all that sort of thing coming southward.

13676. Does not that apply to produce as well?—It does not apply to agricultural produce.

13677. *Mr. Pyott.*] In regard to sidings, there is a case at Rondebosch, where you have Forest's Mill. He has a siding and is practically alongside the station?—Yes.

13678. He is not using it to-day because you charge him 5d. a ton for hauling his goods?—Of course, it is a very short siding, and I suppose as it is not a long siding it pays him to cart his goods.

13679. Do you think 5d. a ton is sufficient for a shunting charge?—At first it was 10d., and they reduced it to 5d.

13680. Do you think there is any necessity for having a shunting charge at all?—I think so.

13681. It saves you an enormous amount in loading trucks?—It is a convenience to the merchant.

13682. And also to the railway?—Yes, it is. Of course they have to work the siding at the same time. If they gave up the sidings charge it would mean between £12,000 and £15,000 a year revenue, which would have to be made up in some other direction.

13683. What is the real reason of the terminal charge of 10d. at each end? Is it a loading charge?—Terminals are for invoicing, loading, unloading, sheeting and shunting.

13684. This is a charge which only came into force of late years?—No. All our special rates have terminal charges.

13685. I thought this was a charge to get the shorter distance traffic of late years?—No. Our rates have always been built up at so much per ton per mile, and so much terminals which accounts for all kinds of work at forwarding and receiving stations—shunting, marshalling, sheeting, loading, unloading and invoicing.

13686. I got the impression that it was brought in some years ago to catch the short distance traffic?—No, that is not so. At Home the terminals range from 7s. 6d. down to 1s.—much higher than here.

13687. For oatmeal you have one charge for carrying in bags and another for carrying in tins and cases?—I thought I would answer those questions altogether.

13688. *Mr. Kayser.*] Can you tell us whether this 5d. a ton siding charge pays the Government?—Yes, I should say it does.

13689. You suggest they would lose a good deal of revenue if it were removed?—We reckon between £12,000 and £15,000 per annum.

13690. They would get a great deal more revenue if they encouraged the siding owners to load at the siding instead of carting. In regard to my trade, for instance, there must be so much in a truck—with timber particularly. Is not 18 feet the length of a short truck?—Yes.

13691. If you have timber 18 feet you can load three tons in a short truck, and the minimum charge is, I believe, 2s. 1d.?—Yes.

13692. If you have to send 20 feet lengths you have to pay double the minimum, and the consequence is you cannot load it; they charge you for a long truck?—You mean the minimum load.

13693. The minimum for goods which can be loaded at a private siding. It is in connection with this private siding matter?—Of course, the Department has to haul a long truck all the same.

13694. But they save the whole of the cartage?—Yes. Your complaint is that the timber is long and you cannot load it in a short truck; a bogie is used and 4s. 2d. charged.

13695. The minimum charge should be 2s. 1d. irrespective of length, and it would be all right. If the minimum were stated in pounds, shillings and pence, instead of putting it this way it might be less of a grievance?—I will make a note of it.

13696. *Mr. Scott.*] There is another grievance, and that is that owners of private sidings here often do their own shunting, and they get no rebate. Government allows nothing for the number of trucks they shunt themselves.

Chairman.] They do it for their own convenience.

Mr. Scott.] They do it to save time. Then again I believe a loading charge is allowed in the East and no allowance is made in the West.

Mr. Kayser.] It is only 4d. a ton, and it costs the Railway about 10d.

13697. *Mr. Scott.*] They give nothing here?—*Witness.*] We do now.

13698. Since when?—You approached the Treasurer some months ago, and as the result of that interview it was granted at Cape Town.

13699. I was not aware of it. I thought it was costing the Railway far more to load their goods, such as the heavy goods. Another thing is that it saved a great deal of trouble where there were several consignees in one truckload. If loaded by the merchant, he avoided mixing the goods up. My contention is it would save the Government to allow trucks to be loaded on a private siding or give a loading charge?—I believe the Government now makes no private siding charge provided the owner does the shunting.

13700. I was not aware of that. To my mind a good deal is spent in carting the goods round the stations and then off-loading from the wagon on to the ground and then loading again on to the truck, whereas if the truck were put into the private siding it would be loaded by the merchant himself?—Yes.

13701. *Chairman.*] There is another point I wanted to ask you a question on from the technical point of view. Can you tell me any class of stuff you carry on the railway at a loss?—You ask me to tell you what traffic is carried at a loss and what pays?

13702. What is the minimum rate to pay?—The average cost of hauling traffic is about ·9d., but no one can tell you what it costs to carry any particular article of merchandise; it is impossible; it varies so much under different circumstances.

13703. You have to meet railway charges and interest and everything. Can you give a minimum?—I will give you the exact figures later on—what the actual cost is exclusive of interest on capital, and what the cost is including interest on capital. I can furnish that information.

13704. *Mr. Kayser.*] Is the ·9d. the average cost on the whole of the traffic in South Africa?—In Cape Colony. The Chairman wants to know the actual lowest cost on carrying traffic. You want to know operative charges—that is locomotive charges—and then what the charges are including the interest on capital. I can give that later.

13705. *Chairman.*] Then I want the difference between Class C and Third Class rate?—For a hundred miles, the Third Class rate per ton per mile works out 2·4d., for 200 miles 2·2d., and 300 miles 1·75d. For 50 miles it is 2·8d., and for 25 miles 3·2d. I have got the C rate worked out, but it is ½d. per ton per mile plus 20d. terminals.

13705a. In C rate you carry wheaten meal and flour and wheat?—That is so.

13706. That is about the most payable traffic—the lowest cost of handling?—Yes.

13707. You carry fruit at the same rate all over the Colony?—Yes.

13708. Small or large lots?—Yes.

13709. Therefore that is at a very heavy loss?—I would not say a heavy loss, but it costs more to haul than meal and flour.

Chairman.] If the lowest amount is ·9d. to carry stuff it means a heavy loss carrying at ½d. in small lots all over the Colony.

13710. *Mr. Tod.*] How do you get at ·9d.? If you take the working of the railway as a whole the amount of traffic must regulate it?—When I say I give the average cost of hauling traffic over the C.G.R. I mean the average cost on the year's working—the total tonnage, total mileage hauled and total revenue.

13711. You might have said that 3d. per ton per mile might show a loss or ·9d. might be a handsome profit on another traffic?—You cannot estimate the cost of hauling an article of merchandise under different conditions, 13712. *Chairman.*] The point is, it is said, the farmers are very badly treated in this Colony, and it was brought out that the farmers are treated better than the fruit farmers. Wool bags and those things are carried at Third Class rate, which is proportionately how much more than the fruit farmers?—The bags are a higher rate than the fruit. There is one thing I would like to point out. These rates on produce and fruit are not fixed from the point of cost of conveyance at all, but from the standpoint of Customs, the idea being to develop the Colony.

13713. What I am bringing out is that fruit farmers have special consideration over any other farmers in the Colony?—I see.

13714. *Mr. Kayser.*] Is that correct—that the biggest consideration in our railway rates is shown to the fruit traffic?—I admit that.

13715. *Dr. Viljoen.*] In your agricultural produce, who does the loading?—Except in the case of forage and lucerne the Department does the loading.

13716. All forage is loaded in all places by the producer?—Yes.

13717. That is a considerable item?—Not considerable.

13718. Have you ever worked it out? Suppose there is treble the labour entailed in loading a truck of oathay to loading a load of cereal. That would make up for the low rate at which the agricultural produce is carried, because the loading is done by the producer?—The work in loading a truck we would do for 6d. a ton. That is not very much.

13719. You can load oathay for 6d. a ton?—We do not load oathay, it is done by the sender.

13720. Supposing a farmer gives you a day's notice that within 48 hours he will bring a load of oathay there, are you prepared to load it at 6d. a ton?—No. We do not load oathay. You are quite right; we should not under those circumstances: oathay is excepted. If you had to load oathay the charges added to the railage would increase the railage perhaps another ¼d. a ton. It depends on the distance.

13721. What would it cost you to load oathay, about?—I will give you a practical case. You cannot load oathay properly unless you have at least six men. You must remember you want four-ninths of the carrying capacity of the truck put in. Six men would load a couple of trucks a day.

13722. That is very expensive?—It is very expensive, and then you must have qualified men. An ordinary Kafir would never get four-ninths of the capacity in the truck. We do not load oathay; it is laid down in the Tariff that we do not load it.

13723. Who loads the fruit?—It is loaded by the Department, and so is grain.

13724. Is that universal?—Yes.

13725. Would you be surprised if it is not?—Where at?

13726. I will give you an illustration. Supposing you want to send 500 boxes of fruit from Elgin station, who loads that?—The Department.

13727. No. The Department have not the men. I have no personal objection to doing it, but you discriminate between that case and the man living in a big town, like Wellington. You load his fruit for him, but the unfortunate man at Elgin has to load his own or it is left behind. We make a condition in our Tariff that we only do the loading when we have the staff at the station.

13728. But you said to me you universally loaded the fruit?—I say rates are station to station, that is to say, the Department does not perform collection, loading, unloading or delivering, which are performed by or at the expense of the owner; at cartage stations the Department loads and unloads goods, forage and other unwieldy articles excepted, and at other stations such assistance is rendered as is practicable with the resident staff.

13729. I have no objection in the case of the fruit, because I think it is a low tariff, but I want to point out that the farmer has to do a lot of this work himself. At Elgin station it would be most unreasonable to expect the Government to do it, because they could not get the men to do it. The farmer is only too willing to assist; it is to his own benefit. But at a place like Caledon the farmer is given the option of loading the truck himself or having it done for him?—We only do it when we have the staff.

13730. You can get the men in Caledon; there are always men about?—Yes.

Dr. Viljoen.] I want to bring out the point that whether you load or the farmer does it, it is at the farmer's expense.

13731. *Chairman.*] It does not affect the points I raise, because the wool farmers have to do the same thing at country stations, and also other farmers. My point is that the fruit farmer's is a class of traffic which is perhaps the most difficult to carry on the railway, and yet he gets it cheaper than other farmers—such as for cheese and butter?—I said fruit is cheaper than grain, but I do not think it is cheaper than cheese or butter—not with the refrigerators.

13732. Cheese and butter pay more?—You are quite right.

13733. *Mr. Kayser.*] What rate is charged on that produce which is loaded by the farmer at Elgin station?—The Class C or Class B.

13734. If it was loaded by you what would the rate be?—From Elgin to Cape Town.

13735. Yes?—Just Class C or B.

13736. The station to station rate does not include terminals. You save the charge. If the farmer loads the goods does he get the benefit?—For fruit or forage?

13737. Both—these particular rates we are talking of?—The farmer gets the benefit in the case of forage, because the rate does not include loading.

13738. *Dr. Viljoen.*] The farmer has to pay the ¾d. per ton per mile plus 1s. 10d. terminal for forage?—There is no terminal on forage.

13739. Then it is in the case of potatoes. If I send from Caledon to Cape Town I have to pay 1s. 10d. terminal here besides the ¾d. per ton per mile?—No, there is no 1s. 10d. terminal.

13740. Are you quite sure on the point?—Yes. It is Class B. The Class B for distances 100 miles and over is ¾d. per ton per mile—that is all. Under 100 miles it is a slightly higher rate. There is no terminals charge.

13741. You say the farmer sending his stuff from Caledon, which is 88 miles, has to pay a higher tariff than the farmer sending from over 100 miles?—He has to pay more per ton per mile.

13742. Is it not an actual fact that most of the produce actually conveyed to Cape Town is within the 100 miles, except Worcester?—Yes.

13743. I am talking particularly of this port. You have Caledon, Malmesbury, Paarl, Wellington, Tulbagh, Ceres, Stellenbosch, Somerset West, and all the places except Worcester which have to pay a higher rate than ¾d. per ton per mile?—Yes, because it is a short distance.

13744. The Chairman has brought up the matter of wool and grain bags. I know that is Third Class rate. That is higher than the cereal rate, but one must consider this, that if you load a truck-load of wool and a truck-load of oats, the man who produces the wool gets in actual value perhaps five times the amount the man would get for the oathay?—Quite so.

13745. It is on that basis you have raised the wool from the ordinary agricultural produce to a higher rate?—Generally speaking, throughout the world, the great principle is to fix rates on the value of the article—not so much the cost of the service to the Railway Department as the value of the service you render to the man handing you the goods.

13746. I will give you an illustration. I send a good deal of stuff over the railway. In the winter I had a wire from Molteno to send a truck-load of oathay. That oathay cost me to get down to Molteno I think 60 per cent. on the purchase price of the article, and the result was that he wrote back to me to say that the oathay was perfectly satisfactory and he could do a considerable business, but that the railage was prohibitive. It is because the railage is in proportion to the value of the article that the man sending wool can afford to pay Third Class rate, and the man with the oathay ¾d. per ton per mile?—Yes, in the main. Shall I now answer the questions which have been raised by the Secretary?

13747. *Chairman.*] Yes.—The first was the question of rolled oats and oatmeal. The reason why they will not allow the low rate is because it can afford a higher rate. That is the view of the Government—that the value of oatmeal and rolled oats is much more than ordinary meal, and not only that, but the rate for the imported article is Second Class—that is imported oatmeal—and moreover, the duty at the last Conference was increased from £1 to £2 10s. The cost of landing imported oatmeal in Kimberley from Port Elizabeth is £2 10s. duty and £7 12s. 6d. railage per ton, which is £10 2s. 6d. The carriage on the Colonial article from Moorreesburg to Kimberley is £2 5s. 6d. per ton in bulk—Class B, but where it was sub-divided into packets or tins, when it is assumed the article is a little more valuable it is £5 2s. 6d. per ton. The position of the Government was that the article could bear a higher rate than ordinary meal or flour, which is ½d. and the imported 1¼d. The railage of imported rolled oats and imported oatmeal is Second Class, which is about 4d. per ton per mile, so that the Colonial article can compete fairly well. The next point is that of the gentleman who spoke of having to pay £37 11s. 6d. for timber, and he only paid £23 for the same article in the form of furniture. I have mentioned in my statement handed in that the policy of the Government is that Colonial manufactures should be carried at a certain rate; that has created an anomaly which is only to be remedied by readjusting the rates and putting raw material into the lower class and manufactured into the higher. Mr. Ginsberg spoke about candles, saying we had reduced the railway rate on the imported article, which prevented him from competing at Kimberley. On the connection of the Klerksdorp—Fourteen Streams line, we found Delagoa Bay were getting into Kimberley, and we reduced the rate from the port to compete. We reduced it by 10 per cent. or 20 per cent. This slightly reduced the protection on candles in the Kimberley market. Then Mr. Ginsberg wanted tallow reduced from the Third Class rate to Class C rate. Our Third Class rate for long distances is about 1¾d. per ton per mile, and Class C is ½d. It is a question of whether the Government can afford to do it.

13748. *Chairman.*] But where stock farmers are supplying the tallow should not they have the consideration given them as well as the other farmers?—I think each local centre can practically consume its own tallow. Then he wants the empties returned free.

13749. *Mr. Kayser.*] He wants to send empty barrels to be filled. He imports a lot of barrels with other ingredients, and could use them by sending them to the farmers to be filled, which would save the paraffine tins being used?—He approached the Government, but they would not do it. Then there is the minimum charge.

13750. *Chairman.*] The minimum charge for the storekeeper ordering a box of candles was something like 10s. on the C.S.A.R.?—In through booking to the C.S.A.R., small consignments pay a higher rate until 10s. is reached, when the ordinary class rate applies; it is not that the least charge is 10s., it is 1s. 6d.?—We cannot alter that. At Kimberley a man said he could get galvanized tanks at 3s. 8d. and the iron was charged 7s. 5d. That is admitted. You would have to put the raw material in the lower class and the tank in the higher. The result would be you would import your raw material to Kimberley at a low rate. You would then establish manufactories at inland centres, but there would be a falling off in the sale of tanks in the ports, because of the higher cost of sending up the manufactured article.

13751. *Mr. Kayser.*] The inland manufacturer says: "Any business I can get in the way of manufacturing you take away from me by giving a low rate to the coast manufacturer."—That is quite a correct assertion. That is so. The chemist said he had to pay First Class rate, whereas if his bottles were filled at the coast with the Colonial article he got the benefit of the Colonial rates. That is not a very big thing. They charge medicine bottles a higher rate because they can stand a higher tariff than the bottles used for aerated waters or beers. It is a different trade altogether. Then, of course, farm gates are in the same position; as you know, the Government, by resolution of the House of Legislature, carry fencing material at ½d. per ton per mile, but certain material to make the gates goes at a very high rate. We can only adjust that by revising the whole of the railway rates.

13752. *Dr. Viljoen.*] I got some gates the other day in King William's Town. They were made from galvanized pipes and barbed and plain wire. That is carried at ½d. per ton per mile?—Yes.

13753. What rate would the maker of the gates at King William's Town have to pay to get the raw material?—The wire goes at ½d., but for the pipes he would have to pay Second Class rate less 10 per cent.

13754. If he sends the pipes for irrigation purposes he will also get a concession?—Yes. The Secretary spoke of windmills and anti-friction grease. The same principle applies. A witness spoke of ingot tin. They do carry that at a fairly low rate. One gentleman said the railway rates should be worked as nearly as possible on the basis of the cost of service. Railway rates are fixed more in relation to the value of the article than the cost of conveyance to the railway, unless there are other considerations, such as Customs—that is, protection. The cost of service only enters into the rates insofar as the revenue in the aggregate shall pay the total working expenses and interest on capital. Unlike a business transaction, you cannot on the railway ascertain the cost for each article. You might ascertain the cost of hauling trains from A to B, but when you have the different classes of goods in a truck carried for varying distances under dissimilar conditions, you cannot arrive at the cost. I think that is admitted the railway world over.

13755. *Mr. Kayser.*] Then the cost of the train loads would vary on the different goods carried?—Yes. You might carry a bale of silk and a bale of wool. It would cost no more to haul one than the other, but the man sending the silk can afford to pay more carriage than the man with the bale of wool, and therefore he has to do it. The value of a service is not measured necessarily by what it cost to perform it, but by what it is worth to him who wants the service performed; this is taken into consideration the world over in establishing railway rates. In this Colony we give low rates to protect industries and to develop the country.

13756. *Chairman.*] What is your opinion about doing away with the preferential railway rates?—I have a statement here [*handing same in*] regarding the differential railway rates. (*Vide* Annexure A at end of this evidence.)

13757. *Mr. Kayser.*] Is that based on the evidence you have seen?—Yes. There is one thing I would like to mention. On the Continent they have what they call high import rates; that is, if you send anything to Germany or France from, say, Great Britain, and it enters into competition with the local product, they charge you a high import rate. That is practically on all fours with our preferential rate. Instead of charging a higher rate for the imported we reduced the rate for the Colonial article. In America, although they have a Customs Union, they have what they call "commodity" or special rates from point to point, in the same way as we have preferential railway rates to enable us to compete-in Johannesburg and Kimberley. They more or less give effect to the principle under a different name.

13758. *The Secretary.*] You wrote a paper on the subject of Railway Rates. Can you give the Commission copies of that?—Yes. In Germany they have high import rates, and in America instead of that they have commodity rates, which are special rates for products from point to point. It is only a difference in name. Our preferential rates are special or reduced rates, enabling our produce to be landed in a distant market; and without these reduced rates we should revert to what may be called sectional protection, as with high rates you could not carry produce from the Western Province into distant markets such as Johannesburg.

Mr. Kayser.] I would like you to distinguish as between the raw unmanufactured South African grown product and the manufactured article.

13759. *Dr. Viljoen.*] Would you differentiate between the raw article produced in the country and the manufactured article from this raw article?—Certainly, you must.

13760. Would you put the raw article grown in the country at a very low rate?—Yes, and the manufactured article at a little higher rate.

13761. Would you differentiate between the manufactured article from the locally grown raw stuff and the manufactured article from imported raw stuff?—That is rather different.

13762. You have a raw article produced in the country A. B. is the manufactured article from A. C. is the manufactured article from an outside source material produced in this country, a little higher rate for the manufactured article made from that raw material produced in this country, and a higher rate still for the manufactured article in this Colony from the imported material.

13763. *Mr. Tod.*] You believe in the principle that the railways should be a means of protection for the Colonial article as against the imported?—Certainly, absolutely.

13764. Then you must remember with our big population at the seaport towns, not using your railways, there is no question of protection entering in; the imported article is therefore not kept out of competition with the Colonial article the same as up-country?—I look at it from a railway point of view. Your produce could not have free movement from place to place without low rates, and your industries would not develop.

13765. You are giving the general policy. I should think from a railway point of view the simpler the tariff the better you would like it?—I should like to abolish them from a railway point of view, but it would not bring us more trade. Abolish them and you will go backwards; you cannot carry the same amount of stuff.

13766. I hope you will give the figures I have asked for—that is based on the traffic you have been getting in the past—as to what rate you would require if the differentiation were abolished, in order to give you the same revenue?—I will try. There is one point I would like to impress upon you in this matter. You can use the word reduced rate, instead of preferential. I say without a reduced rate on your produce which will enable it to move freely throughout the Customs Union your trade or railway traffic will fall off.

13767. *Dr. Viljoen.*] Because the production will be less?—Yes.

13768. *Mr. Tod.*] Under the present system, in regard to this protection which is afforded to wheat through the railways, the consumer at Cape Town pays no share of that protection. It is only the man up-country who pays his share of that through the railway. The man at Cape Town only contributes his share of that protection when the railway fails to earn working costs and interest, and then he only pays it in so far as his taxation goes to make up the loss to the general revenue?—Your point is that the inland consumer is at a disadvantage by having these preferential railway rates?

13769. Yes?—I say no, for this reason: You may have thousands of tons of forage in the Western Province. Is it not better for the Colony and the taxpayer to carry that forage into a market and get the revenue for the carriage and the money for the sale of it?

13770. It is all right if the whole of the Colony is being supplied, but immediately you start importing it means you charge a higher rate on the imported article to enable you to carry the Colonial at a lower rate. The man at the coast gets it at an artificially lower rate?—In America they have the Customs Union. The man inland in America cannot complain to the Government because the railway companies are carrying produce at a low rate into his town.

13771. But the railways there are run on a strictly business footing, and a low rate would be to encourage traffic. Here our railways are utilised to pay a bonus to the farmer, and the only people in the Colony contributing to pay that are the users of the railway only. Of course when the railways do not pay their way then the taxpayers throughout the Colony, including the seaports, have to contribute the deficiency, but unless the railways fail to pay, the man at the seaport will not contribute to pay that bonus in any shape or form?—I see that.

13772. *Mr. Kayser.*] The duty we have had in inquiring into these matters is in connection with a future Customs Convention, which will not affect only the Cape Colony. Therefore I would like to ask you to give us the views of the Railway Department as to the question of the raw materials which are required for manufacturing purposes by the inland States. Would it not be advisable in the interests of the Customs Union that there should first be a low rate on South African raw products of the soil.

Mr. Scott.] Also a low rate on imported raw materials for manufacturing purposes—so that the inland manufacturer, in the Orange River Colony, say, would have a reasonable chance of competing. The question is whether the imported raw material should not come in at a secondary rate.

Chairman.] I have put the questions to him in almost the same way, to which he has submitted his written answers.

Mr. Kayser.] I would like it put down from a railway point of view—and bear in mind not only for the advantage to the Cape Colony—as to in what way by establishing a railway policy you can assist us to get a Customs Union.

Dr. Viljoen.] My question applied to the manufactured article from the raw material, and then there is the question raised about the raw material being carried inland to establish a factory there.

Mr. Kayser.] Take candles. A man at Bloemfontein says he cannot make them under present conditions because you force the trade to the coast manufacturer?—*Witness.*] I will endeavour to reply to this.

13773. *Mr. Pyott.*] There was a question raised in East London about the coast rates to Johannesburg against the King William's Town to Johannesburg rates. Are they both exactly the same?—they are.

13774. Why is that?—Because the rate from East London to Johannesburg is competitive.

13775. Take a point like Bloemfontein. A firm in King William's Town maintain that a man at East London can get the same rate as they to Bloemfontein?—Yes. The reason is that between East London and Bloemfontein we have a point to point special rate. At an inland station you get the local rate to Bloemfontein, which would amount in some cases such as that of King William's Town to more than the East London-Bloemfontein rate, but it is governed by the East London-Bloemfontein rate. We have local rates throughout the entire system, and at certain points, for competitive purposes, special rates.

13776. A man was paying on imported sugar the rate from East London to King William's Town, and on top of that the same rate from King William's Town to Bloemfontein as from East London?—That is so.

13776a. Cannot that be obviated?—In America you can send a thing from point to point at as low a rate as from a great many intermediate stations to that point. For that they have "basing point" or "group rates." If you send a thing from one district to another district, although from or to different stations, the rate is the same.

13777. Does this affect Port Elizabeth and Grahamstown in the same way?—Yes. It would be the same rate from Grahamstown to Bloemfontein and Johannesburg as from Port Elizabeth.

13778. *Mr. Kayser.*] And Cape Town to Wellington is the same?—Yes. It is a thing quite common throughout the world.

QUESTION.

Are you in favour of the continuance or abolition of preferential railway rates?

ANSWER.

I am in favour of their continuance, especially for Agricultural Produce. These preferential or roduced railway rates have assisted greatly in the development of the country and have opened up to the South African article the most distant markets in the Customs Union. Their abolition would lessen the area of demand and practically give only Colonial or sectional protection. These preferential rates have helped to give free access to the South African article to the whole of South Africa, whereas their abolition and supersession by the higher or imported rate—even although the Customs Duty may be increased unless it is made practically prohibitive—would give little or no protection to South African Produce which has to be carried long distances by rail to a competitive centre, say from Cape Town to Johannesburg, 957 miles, when the imported article has only to be conveyed a short distance from Delagoa Bay to Johannesburg, 396 miles, as the subjoined examples of carriage on Forage, Wheat and Flour and Fruit will show, with the result that the South African article could not successfully displace the imported article in such cases. A Customs Union without an auxiliary in the shape of low railway rates for South African Produce would not, in my opinion, give free trade throughout South Africa to the South African Product.

As regards the inland farmer and producer he has natural protection, in a great measure, through the cost of transport. The Costal farmer has to send his produce hundreds of miles by rail before it can reach the consuming centres of Johannesburg and Kimberley, although, it is admitted, a perferential railway rate lessens the protection of the inland farmer.

RAILWAY RATES PER TON TO JOHANNESBURG.

Forage.

	South African.		Imported.	Duty per ton.
Malmesbury	... £3 0s. 5d.	Cape Town ...	£5 6s. 8d.	£2.
		Delagoa Bay ...	£3 0s. 0d.	

Wheat and Flour.

	South African.		Imported.	Duty per ton.
Malmesbury	... £2 10s. 5d.	Cape Town ...	£4 15s. 0d.	Wheat, £1 3s. 4d.
		Delagoa Bay ...	£2 13s. 4d.	Flour, £2 10s. 0d.

Fruit (fresh).

	South African.		Imported.	Duty per ton.
Wellington	... £3 2s. 1d.	Cape Town ...	£10 5s. 0d.	3 per cent. *ad val.*
		Delagoa Bay ...	£7 0s. 0d.	=say 13s. 4d.

RAILWAY RATES PER TON TO KIMBERLEY.

Forage.

	South African.		Imported.	Duty per ton.
Malmesbury	... £2 1s. 1d.	Cape Town ...	£4 19s. 2d.	£2.
		Port Elizabeth ...	£3 17s. 6d.	

Wheat and Flour.

	South African.		Imported.	Duty per ton.
Malmesbury	... £1 11s. 7d.	Cape Town ...	£3 13s. 3d.	Wheat, £1 3s. 4d.
		Port Elizabeth ...	£2 16s. 4d.	Flour, £2 10s. 0d.

Fruit (fresh).

	South African.		Imported.	Duty per ton.
Wellington	... £1 9s. 3d.	Cape Town ...	£11 0s. 10d.	3 per cent. *ad val.*
		Port Elizabeth ...	£8 9s. 2d.	=say 13s. 4d.

Cape Town, 17th December, 1907.

Dear Mr. Smith,—

At the request of the Chairman of the Customs Tariff Commission, I have to inform you :—

1. The expenditure per ton mile excluding extraordinary expenditure and interest on capital for carrying goods during 1906 was 0·956d., and including extraordinary expenditure and interest on capital during the same period 1·565d.
2. The 3rd Class rate works out as follows per ton and per mile for the distances mentioned :—

25 miles	...	3·20d. per ton per mile.
50 „	...	2·80d. „ „
100 „	...	2·40d. „ „
200 „	...	2·20d. „ „
300 „	...	1·73d. „ „
400 „	...	1·80d. „ „
500 miles and over		1·75d. „ „

Yours truly,

Walker Binns.

G. O. Smith, Esq.,
Secretary,
Customs Tariff Commission,
Cape Town.

Cape Town, 19th December, 1907.

Dear Mr. Smith,—

With reference to the sitting of the Customs Tariff Commission on the 17th instant, when Mr. Tod enquired the consolidated rate it would be necessary to introduce on Produce and Manufactures to bring in the present Railway Revenue in the event of the abolition of the existing imported and South African rates, I desire to state that the acquisition of this information would involve a great deal of clerical labour and consequent expense, as, after fixing consolidated rate for produce and manufactures which it is assumed would bring in approximately the existing Railway Revenue, it would then be necessary to re-calculate carriage on all traffic of this nature actually carried during, say, one month.

Mr. Tod will realise that such result would, even then, be misleading, as in actual practice, if the rates were consolidated—say a consolidated rate of 1d. per ton per mile was introduced on imported and South African produce in lieu of ½d. and ¾d. for South African and 1¼d. for the imported as at present—the relative proportion of South African and imported to the total as well as the volume of traffic would be considerably altered. This also applies to manufactures.

Yours truly,
Walker Binns.

Sheet Metal Manufacturers.

William Rees, of W. Rees & Co. (The South African Tin and Sheet Metal Works), and *Thomas Marsden*, Tinsmith, Manufacturer of Sheet Metal Goods, examined:

13779. *Chairman.*] You wish to give evidence on the sheet-metal industry?—*Mr. Rees.*] Yes.

13780. Do you want to make additions to the present tariff?—We would like it raised from 15 per cent. to 25 per cent. That is all we are wanting at present. We consider if we can get that we can go on all right. The following rates were proposed:—

1. Tin Plates Plain, not cut to any particular pattern or stamped, but imported in stock sizes for manufacturing purposes. Free.
2. Black and Galvanized Iron Sheets and other metals not cut to any particular pattern or stamped, but imported in stock sizes for manufacturing purposes. Free.
3. Wire in straight lengths or in the roll, bright, black or galvanised, and not cut or bent to any particular shape, but imported in stock lengths. Free.
4. Grain Tin in Ingots. Free.
5. Rivets for manufacturing purposes. Free.
6. All Tinware, Plain, Japanned, Lithographs, Cuttings or Stampings for putting together and all manufactures of tin plates not otherwise specified and manufactures of black and galvanized sheet or iron cuttings or stampings for putting together, not otherwise specified, including tanks, tin, steel, or iron boxes, or casings of any kind used for packing. 25 per cent.

13781. *Mr. Pyott.*] Can you tell us why you advocate the increase?—Because we feel it unfair that so much should be imported which we can manufacture here with protection. The position is that goods are being imported which might be made here as well as at Home, but there is a great prejudice against Colonial made articles; with the result that if you want to increase your plant, which is very expensive, it means the spending of thousands of pounds, and business men are not prepared to spend their money on plant until they have some guarantee of the volume of business.

13782. Can you tell us exactly what you cannot manufacture against the imported article with the present protection you have to-day? You mention dairy utensils. Your protection is not sufficiently high to allow you to make those in competition with the imported?—We consider not. At present we are just starting to make them.

13783. I understand dairy utensils would come out made up?—That is so.

13784. Have you not considerable protection in regard to the sea freight on them?—Yes, we have. I could not say exactly what it amounts to. We could not touch them at all if we had not that advantage. That does not assist us sufficiently. We are paying £3 a week to men to make these articles as against 26s. and 28s. in England. But for the freight we could not touch them at all. Until now all dairy utensils have been imported; I do not know of any firm that has made them up to the present; they are all imported milk cans that are being used. If they had not been so cumbersome I would have brought some here to show you.

13785. What duty do you pay on dairy utensils to-day?—15 per cent.

13786. And kitchen utensils?—The same.

13787. But you are making them here?—A few.

13788. If you make a few why not all?—When merchants run out they come to us, and we make a few for them, but we cannot make them at a price to compete. That is the point.

13789. Your price is higher than the imported?—Yes. Then I admit the goods are not as well finished here as at Home, because it means spending thousands of pounds on machinery to produce them. We want to be in the position to feel that it is safe to invest in plant and put ourselves in the position of a factory in the Birmingham district where these things are made. We can do the work if we have this measure of protection to enable us to get the machinery.

13790. Will it increase the cost to the consumers?—Not one farthing, for the simple reason that with the plant we shall put down our output will be so much greater that our working expenses will be reduced, so that we can continue to pay the wages we are paying and still compete without increasing the cost. There is no doubt about it at all.

13791. Is it possible to produce carriage lamps in this country?—It is, but not at the present time—under the same conditions I think I have already stated with regard to kitchen utensils. There must be dies and certain things which are necessary in order to produce the parts of the lamps in the same way as at Home. When we have these then workpeople here can put them together, and we can sell against the imported article.

13792. You speak of machinery for making pieces of carriage lamps?—Yes.

13793. Have you the demand in this country to justify your putting down machinery for this purpose?—The machinery only forms part. It would not pay to put in machinery specially for the carriage lamp, but where you are doing a general business—which we should do with the increased tariff—then machinery for producing one article will produce other articles if fresh dies are used, and that will pay.

13794. Is there a sufficient volume of business in carriage lamps even to pay you for getting an extra die?—Yes.

13795. I suppose you refer to such things as cheap candlesticks. Would it pay you to produce those?—I do not know that it would, only in connection with other articles, if there was anything like a demand, I think we could do it. Taking kettles, saucepans, coffee pots, and the general run of kitchen utensils, it would pay.

13796. You have sufficient business?—I am certain of it.

13797. You speak of jam tins and tins for tea and coffee. You have protection?—Yes. It is included with the general run of sheet metal goods. We do not want to charge more for them. It forms part of our business, and therefore it is included with them. There are some tins which are being imported which we hope to manufacture here.

13798. These are printed tins?—Yes. One firm imported 50,000, and another firm 76,000.

13799. You are not in a position to make tins with printed matter?—No. No one would invest in a plant costing thousands to do that work before feeling sure of the business.

13800. What class of labour do you employ?—Two Cape boys, and the rest is white labour.

13801. Are you taking in any apprentices?—Unfortunately we are not in a position to take apprentices, simply because we are not sure of work sufficient to keep them going. If we want a skilled worker we are bound to send Home for him, and that is a thing we ought not to have to do. Being on a School Board, as I am at Maitland, it is heartbreaking to have letters for reduced school fees, the parents being unable to pay them because the husbands have no work, and they ask for work for their children, and we are unable to give it.

13802. With the extra protection of 10 per cent. would you be in a position to take apprentices?—We would.

13803. Would you have any difficulty in getting them?—No. There are intelligent boys we have to refuse, who I believe would make good apprentices.

13804. Can you give us any item and tell us what the value of labour on that utensil would be as compared with the material in it?—I should say in a railway tank the labour would be about 27½ per cent. or 30 per cent.

13805. Of the whole?—Yes.

13806. And you are paying 50 per cent. more wages for your workmen?—Yes. The highest wages in London in the Trades Union for sheet metal workers is 36s. In Dundee it was 28s. before I came here.

13807. In the case of buckets, are you satisfied with the 25 per cent.? Can you make them?—We could not at present to compete with the imported article.

13808. With the 25 per cent. could you?—I believe we could.

13809. Are you in a position to galvanize them afterwards?—Not at present, but the chances are very much better to-day than ever before. There was a time when we had to buy our pickle in small quantities from the chemists, and to-day you can buy it in bulk from the Somerset Strand works.

13810. What about baths?—There are very few galvanized iron baths used. They are hardly worth considering. We make what are required from galvanized sheets, but the trade in that respect is not worth considering.

13811. I mean a small kitchen bath?—If you make the buckets then certainly you could make the baths.

13812. With the same protection?—Yes.

13813. Does enamelware interfere with you in any way?—No.

13814. You make no suggestion regarding that?—No. I think that will end its own days. If people can buy a good tin article they will prefer it to cheap enamelware.

13815. You would like the tariff continued for five years?—Yes.

13816. Only provided you get the protection you ask for?—Yes; without it a year would be plenty.

13817. You say tin plates, plain—not cut to any size, free?—Yes, our raw material.

13818. How about tin plates coming out to pattern?—They should pay the duty.

13819. Is that done in Cape Town?—Yes.

13820. What does that pay coming in?—I believe they have come at 15 per cent.

13821. You speak of wire here; you want that free?—That is part of our raw material.

13822. That is free at present?—Yes.

13823. Have you made any suggestion for the free list which you have not had before?—No.

13824. Do you propose plain, japanned or lithographed tinware should come in free? It is being done in the country?—No. I should allow it in free until there are works for producing these articles. If this tariff is to be fixed for five years that should be covered, providing for its coming into the tariff as soon as any firm was in a position to supply it.

13825. You cannot produce lithographed tin. Why do you put the three together? You cannot do the lithographed?—No, but I am convinced in a very short time it will be done here.

13826. You would still ask for it to be charged 25 per cent.?—Yes.

13827. Would not you be the first one to come to the Government and say, "Why charge me 25 per cent. on lithographed tin, because if you do so I cannot do my lithographed tin in South Africa"?—My firm conviction is that in a short time that will be done here.

13828. *Mr. Tod.*] Do you manufacture lead goods?—No.

13829. In regard to enamelware, are you in favour of the duty remaining low? —I would have no objection to that.

13830. If the duty is low on enamelware and high on tinware, will it not encourage the use of enamelware in preference to tin?—There are some things which are always enamelware, but there are others which cannot be enamelled, and we are prepared to take those.

13831. You apprehend no danger?—No.

13832. Are you affected by the preferential railway rates?—We do not pay carriage; the customers have to pay that.

13833. With the protective tariff you propose you would be satisfied to be on the same footing as far as the railways are concerned with the imported goods?—Yes.

13834. *Mr. Kayser.*] How many men do you employ altogether?—We have only six at present. We have five white men, one Cape boy working in the works, and one as our driver. Then, of course, in connection with this class of work where machinery is employed you use a good deal of unskilled labour. We have altogether twenty hands just now.

13835. You say, notwithstanding the increase in duty suggested by you, and notwithstanding the protection you have already on the freight, this will not increase the cost to the consumer?—It will not; I am certain of that.

13836. On what increase of business have you calculated?—I venture to say in a very short time, with this protection, there will be 150 to 200 hands in our factory. They will not all be men, but principally young people.

13837. What turnover do you expect to do? You have gone into the matter thoroughly in making an emphatic statement like that?—Yes.

13838. What trade will you do?—£60,000 to £70,000 a year.

13839. Do you know what is done to-day in Cape Town in the sale of tinware? —I am speaking of things I know of, and knowing the approximate quantities being used, when I give you the figures I do.

13840. The basis of your contention that you will not have to increase the price to the consumer is that you will do a turnover of £60,000 to £70,000 a year? —Yes.

13841. The bulk of that trade now is with imported stuff?—Yes.

13842. The bulk of the local manufacture is very small?—Yes.

13843. What to-day—£1,000 a month?—Less than that.

13844. I was interested in your stating you could supply dairy utensils?—Yes.

13845. What class of dairy utensils do you refer to?—The small cans, the railway tanks for taking milk about—of which I now have twelve finished in my works, which I would show to any one—cans, measures, milking pails, strainers.

13846. What do the railway tanks carry?—From 10 to 17 gallons.

13847. You are aware that the railway cans are practically stamped from one piece?—I am making them the same as are used in London and the principal places in England. I know there is the stamped can used here. We could not make that.

13848. You want an extra duty on those?—Yes, because I claim that the tank we make is equal to the one that is seamless.

13849. Do you know the bulk of these railway cans, such as are used, say, in Kimberley, are these seamless cans?—That might be.

13850. On account of the necessity for cleanliness?—If a milk-can is made by a man who has been brought up to dairy utensil making, he will make it so that there will be no crevices where milk can accumulate to be a source of nuisance. The only thing is that the man who makes that tin must have been brought up to it; an ordinary tinsmith might solder it so that it would be a source of nuisance.

13851. Are you aware the bulk of the cans used in the North of England are the seamless cans?—I am not aware of it.

13852. Are you aware of the number of factories in the world making those stamped cans?—I believe only one.

13853. Therefore it shows very clearly that it would not be advisable to import machinery to South Africa to make them?—It is out of the question altogether.

13854. But you consider you would be justified in asking that the importer should pay 25 per cent. on these?—For the simple reason that we can supply a good tank, in my estimation, at a price equal to what they are paying to-day.

13855. Can you tell us the price of the article here to-day?—I would not like to do that.

13856. It is a very expensive article?—It may be.

13857. Do you know the price?—I have heard the price, but I do not wish to say.

13858. The price is somewhere near 30s. for a ten-gallon can?—Yes.

13859. So the farmer is already paying a very high price for his can?—I do not know that it is very high.

13860. Any way, your suggestion of an increased duty would still further increase the price?—I say not.

13861. Because he would have to use the other article, which you say is equal?—I should say the article which is now being imported could be sold even with increased duty now at the price at which it is now being sold if the merchant were disposed—that there is sufficient margin between cost and selling price. If they wanted to compete with us they would sell at that too.

13862. Is there no competition in the sale of these cans to-day in Cape Town? I daresay there is the usual competition amongst merchants.

13863. This extra 10 per cent. would not count?—I do not consider it would in that particular can.

13864. You are assured that they could reduce the price by 10 per cent. and still make a good profit?—Yes.

13865. *Mr. Scott.*] Is your industry one to which youths will take to learn as a highly skilled trade?—They do in the Old Country, and we have applications here.

13866. Would you recommend apprentices to learn your trade?—I certainly would.

13867. In addition would you require much skilled labour?—If the general work is taken on you must have skilled labour, because you have not got it in the country.

13868. Do you make rainwater goods at present?—Yes.

13869. Do you find you get support in those goods?—We do get some support, but not nearly what we should get; we do not get the volume of business.

13870. Why is that?—We have been told, of course, that they do not care to pass their friends at Home. We have been distinctly told that by merchants.

13871. The difficulty is in the distribution of the manufactured goods?—We should be bound to do that through merchants. The cost of distributing ourselves would be too great.

13872. The difficulty is in getting someone to distribute your goods?—That is so; we depend entirely upon the merchants for that.

13873. With regard to these printed tins for currypowder, oatmeal, sweets, tobacco, snuff, tea, etc., supposing there is an increased duty put on those tins, and there is no machiney available in the Colony, will you be prepared to suspend the tariff?—Yes; that is what I am suggesting—until we are in a position to do it.

13874. That is very important. It is only a suggestive tariff?—Yes. It should come into operation as soon as we are in a position to supply them.

13875. You would have to show you were in a position to supply them?—That is what I ask; I do not want to penalise anyone till we can do it.

13876. We will have tobacco and sweet manufacturers and others saying they are being penalised?—I say let thepresent state of affairs continue until we are in a position to say we can supply the article from here.

Tanning and Allied Trades of Boot and Shoe and Harness and Saddlery Manufacturing.

Joseph Mossop, of Mossop & Son, Ltd., Tanners, Curriers, etc., examined: prayed for increased protection against imported leather, as set forth in a statement submitted to the Commission on the Tanning Industry in Cape Colony, as follows:—

REPORT ON THE TANNING INDUSTRY IN CAPE COLONY.

A PLEA FOR A HEAVIER PROTECTIVE TARIFF ON LEATHER.

For some years past the Tanning Industry in this Colony has been almost at a standstill, many tanneries having completely shut down. The collapse of the Industry can be traced, in the first instance, to the ravages caused by the Rinderpest, which in the year 1897 swept through the country and almost denuded it of cattle. Hides became scarce, and for some time were practically unobtainable owing to the fact that at one period of the outbreak a cordon was drawn round several infected areas, and the source from which hides and skins could be obtained became very restricted. Before the country had recovered from the effects of Rinderpest the Boer War broke out, transport and business became disorganised, hides and raw materials were difficult to obtain, and merchants and harness and bootmakers finding that the local tanneries were unable to meet the sudden demand for leather created by the war were forced to send their orders to England, Australia and elsewhere. By this time the Customs tariff on leather had been gradually reduced from 15 per cent. to 7½ per cent., and it was thus an easy matter for importing merchants to capture and retain the entire leather trade of the Colony by importing the cheapest grades of Australian and American leathers. The new Customs tariff of 25 per cent. duty on harness and saddlery, and the higher duty on boots and shoes have given an impetus to the local manufacture of these articles.

However, with the exception of one or two firms who use locally tanned leather, the harness, saddlery, and boot manufactories in this Colony are using imported leathers, and yet we are exporting thousands of hides and skins which might be tanned and used here, while there are about two dozen tanneries scattered over the Colony which have been shut down and which would now be at work, if a similar protective tariff had been placed on leather.

It is submitted that the Government should stimulate the local production of leather by a duty of at least 25 per cent. on all imported leathers. If this were done more leather would be produced than the present boot and harness factories could use, and the price of leather would be regulated by local competition as is the case in Australia, Canada and America where all these industries are very heavily protected and where boots, harness and leather goods can nevertheless be bought as cheaply as in any part of the world. The tanneries in this Colony should be encouraged to produce all the leather required in South Africa. Leather of excellent quality can be produced here, and the fact that Fraser and Son, of Cape Town, built up their business and far-famed reputation for harness and saddlery on Cape Colonial leather supplied by the old firm of Mossop and Garland is a convincing proof of this statement.

More than 95 per cent. of what a tanner requires for making his leather is produced in the country for hides, skins, bark, tallow, lime, etc., are now plentiful and it is obvious that the tanning industry is one worth fostering and is no bastard industry.

All the other British Colonies except the South African Colonies have their industries heavily protected, so that Cape Colonial tanners are only making a reasonable request when they ask that a duty of at least 25 per cent. be imposed on all imported leathers (excepting those now on the free list) for a period of say 10 years, which would be sufficient time for the tanning industry to become firmly established in this Colony. This is the only course to adopt if the Colony is to derive the full benefit of having protected its harness and boot industries, which in their turn might be more heavily protected. The said industries should be supplied with leather tanned in the Colony from South African hides and skins with South African barks, because South Africa can and ought to tan and manufacture all the leather it requires.

The following list of protective rates on leather and leather goods existing in New Zealand, Newfoundland, Australia, U.S A., the Argentine, Mexico and Japan will show that we are by no means heavily protected at present.

LEATHER DUTIES.

New Zealand ...	Boots and Shoes	22½ per cent.
„ ...	Leather and Harness	20 to 25 per cent.
Newfoundland ...	Boots and Shoes	40 per cent.
„ ...	Harness and Saddlery	40 „
„ ...	Leather	20 to 30 per cent.
Australia ...	Boots and Shoes	35 per cent.
„ ...	Leather and Harness	25 „
United States of	Boots and Shoes	25 „
America ...	Leather	20 „
„ ...	Harness and Saddlery	45 „
Argentine Republic	Boots and Shoes	50 „
„ ...	Harness	50 „
„ ...	Leather	40 „
Mexico ...	Men's Cow Hide Boots	6s. per pair
„ ...	Men's Calf or Patent Leather Boots ...	10s. „
„ ...	Saddles by weight	4s. per lb.
„ ...	Harness „	3s. „
„ ...	Leather, all kinds	3s. „
Japan ...	Boots and Shoes, all kinds	20 per cent.
„ ...	Harness and Saddles	25 „
„ ...	Leather	20 „

As closely connected with the tanning industry the Government might be asked to follow the excellent example of the Australian Commonwealth which last session passed an Act making it illegal to brand cattle elsewhere than upon the ears as branding on the body or neck damaged the hides for tanning.

13877. *Chairman.*] Do you wish to make any addition to your statement?—I did not know I had to make any specific points. There is one point I forgot to mention. I think we might recommend to the Government that they encourage the growing of black wattle for tanning purposes. Natal has taken the lead there.

13878. *Mr. Kayser.*] You suggest that the duty on leather be increased from 15 per cent. to 25 per cent.?—I think 25 per cent. little enough, seeing that we have to compete against Australia and other countries where the leather industry is very highly protected.

13879. Are you not selling all the leather you can produce to-day?—I can produce a very great deal more than I am selling.

13880. Are you selling all the leather you are producing?—I am not.

13881. If we had it in evidence that buyers could not get delivery from you, were they wrong?—Yes. I can prove it.

13882. A letter was produced, signed by your firm, stating that they could not deliver for some months—or some weeks?—That referred to one class of leather. We have only just restarted tanning. The old industry was practically wiped out. We had an inquiry for stained kip. I heard of that evidence, and took the trouble to get letters between our firm and the firm mentioned, which I would like to put in [*producing same*]. We offered that very firm five tons of leather a month if they wished to have it—one quality.

13883. This article you could not deliver was a special article you were out of?—It would have needed a selection for one ton from five tons ordinary kip, and we were not in a position to do it

13884. You were not able just at the time to supply that particular leather?—Yes.

13885. At the present time you are selling practically all you are turning out?—Not quite. I can sell anyone ten tons of sole leather to-day if they want it.

13886. Is your price very much higher than the Australian article?—No. That is why I want a little more protection.

13887. Will you tell us what the duty is?—This 12 per cent. duty encouraged one to go on again. I started at the end of March. Australian leather was then about 1s. 2d. As soon as I got on the market these prices were reduced all round. Since then they have been offering leather as low as 1s. 1d. and 1s. 0½d. in large quantities. It is impossible to run a tannery on these cutting prices unless you do a very large turnover, and it is in order to get a larger turnover that I want a heavier duty on imported leather.

13888. Will you tell us the position to-day as to the difference in price?—I have just told you they have brought down the Australian leather to 1s. 1d. and 1s. 0½d., and we have to compete against that. We sell for what we can get.

13889. Are you losing money?—No, but we are not making what we consider a reasonable profit.

13890. You are making a profit?—Who would work without a profit? These tanneries have all been wiped out because they did not pay. We make a small profit, but unless we have a big turnover I am afraid we shall have to shut down again. Before Australia was heavily protected she was one of England's best customers for leather. What is the position of Australia to-day. They put a heavy protective duty on, and instead of importing leather they are exporting what they do not want; and that is what might be done in South Africa to-day if the tanneries were only started and allowed a chance to get strong enough to export the stuff. Years ago it could be done for this reason, that our Colonial barks were not suitable for tanning, and then, to make matters worse, the Government, instead of getting a proper kind of wattle, imported the siligna acacia and flooded the country with a bark which was practically useless to the tanner. We are now getting the proper barks.

13891. What protection do you get to-day?—12 per cent.

13892. Do you get any preference on the railway?—A little, but as far as the railway rates are concerned, I would forego any concession we get from them if we got protection.

13893. You have no objection to the railway protection being withdrawn?—No.

13894. What is the protection to-day?—I have not got it at my finger ends; I do not know.

13895. Have you any objection to telling us your view as to what disadvantages the Australian leather would have against you? First of all we have the duty of 12 per cent. Do you know what the freight amounts to?—7 per cent. to 8 per cent.

13896. Those figures are approximately correct?—I think so.

13897. Then of course there are the harbour dues and dock dues?—That would cover it. I think 20 per cent. will cover everything.

13898. So that the charges on Australian leather between Australia and South Africa would be about 20 per cent?—Yes.

13899. That would be the protection you would have against Australian leather?—Now.

13900. As we have the hides in this country and the wattle in this country, why should we not be able to compete with Australia with that protection?—For this reason, that we have to compete with the cheapest class of Australian leather, and we have to sell the whole of our output at the ports, where Australia can dump her leather down. There is one class of leather—the inner split leather. I cannot compete with that leather here when I am paying 7½d. and 8d. for the hides. I do not know the price of the hides in Australia. They get a fairly good price for the good leather there, and are content to get their money back, or even a small loss, for what they do not want.

13901. Is that the stuff you have to compete against?—Yes, to a great extent.

13902. Would it not be advisable to mention that leather?—It is sole leather and kip. I know capital has been made out of the fact that the better class of leathers are not produced in this country. In the first place they are never asked for, or else I suppose there would be a small supply; but if I were asked to-day to supply, say, 50 dozen best calf-skins I could not do it, nor could any other tanner in the Colony—for this reason, that South Africa is not a veal eating country. All the calf-skins you get are little things from calves which are sent to the butcher perhaps two or three weeks old, and neither the meat nor the skin is worth anything. In Paris at a meat shop you will find calves six months old.

13903. For what purpose is the calfskin used?—For the best class upper leather. I was going to suggest that two classes of leather be added to the list. There is chrome calf up to 24 lbs. for dozen skins and glace kid. I think those two lines could be brought in at the 3 per cent. duty, because it will be many years before South Africa can produce them. They may produce glace kid when they get more Persian sheep. Then there are coach hides for carriages and railway work.

13904. They already come in at a special rate as trimming hides?—Then there is belting. I think belting of all sizes and widths made up, but not belting leather. I think that would meet the mining population, because there are patent belts which we cannot make here if we wished to. I see under 61 it appears, "Bands and belts of all kinds for driving machinery."

13905. The last two items you mention are already covered—the chrome calf and glace kid which you recommend should be included in the 3 per cent.?—Yes. I think valve and pump leathers should be protected. I think there is a little matter here which might be straightened out. The Customs Tariff Interpretations, No. 15, Item No. 96, says: "Dyed leathers may be admitted as enamelled leathers." That is open to fraud, because dyed kids might be sent in in that way.

The Secretary.] That was subsequently amended.

13906. *Mr. Kayser.*] You spoke about the quality. The complaint was not as regards the quality as far as your leather was concerned. The difficulty was in getting delivery of the quantity they required and as they required it. It appeared to be—at that time, at all events—that you were getting more demand for your goods than the quantity you were turning out, but at present you say there should be no difficulty?—Yes. We only started at the end of March, and you know you cannot turn out leather in a month. Moreover, these people must not be unreasonable. If they want to import they must wait a month.

13907. The argument they made use of was that they said, "We disorganise our business if we cannot get a regular supply of our material." At all events, you say you are in a position to make reasonable provision for them?—Yes, I am. That boot factory, I suppose, would use a ton or two a month.

13908. It was not only the one case?—If we get a duty on leather of 25 per cent. I guarantee there will be no difficulty at all, because people will not mind putting money into the business.

13909. Why ask 25 per cent., if with 15 per cent. to-day you are making a small profit?—Because we cannot get the trade; it is practically in the hands of the merchants, who want to keep it. I speak of the whole of the Colonial leather trade having passed into the hands of merchants. These merchants do not want to give up the little business they have got.

13910. You point out that the Australian leather is already penalised to the extent of 20 per cent., so if the duty were raised 5 per cent., even you would get 25 per cent. protection?—I do not think 5 per cent. would be enough, because I think the Australian people, to keep the business they have got in this country, would still further reduce the price; and I would like to see South Africa not only a producing, but an exporting country, and with the bark we are producing we will be able to do that; I may not see it, but it will come.

13911. The prices you pay for hides are fixed by London?—Yes.

13912. It is not reasonable to suppose Australia buy their hides for less than you?—I do not think so.

13913. Where are you buying your tanning now?—Some in Cape Colony. We got some from Worcester a few days ago, and are using some of the siligna, which unfortunately is not a nice bark to tan with. We are only using a small quantity, because of the smell. Whenever it is used it affects the leather.

13914. Do you get the bulk of your tanning requirements from the Cape Colony?—No, the bulk of them we get from Natal; that is only the bark.

13915. If the duty is raised, as you suggest, will that mean an increased price for your leather?—It would mean a slight increase, certainly, but not any more than the bootmakers and other people were paying three or four months ago for Australian leather.

13916. It will mean a slight increase in the cost of leather?—Until we get a very large output, and until we had local competition—which will be bound to come. These things will regulate the price the same as in other protected countries.

13917. The price will be slightly increased with a slight increase of the duty? —It will not be much.

13918. *Dr. Viljoen.*] What is the percentage of Colonial ingredients in the manufacture of leather?—I should say fully 95 per cent. of what a tanner uses, if not more, is Colonial.

13919. What kind of bark do you use now?—Black wattle.

13920. Have you tried the A. Pycnantha?—Yes, but I do not like it. It is too dark in colour, and is not as good as the black wattle. The Acacia Molissima is best.

13921. Has the Pycnantha more tanning in it?—No. The Government said so some time ago, but it is not so. It is possible the samples I had to test were grown on ground which perhaps had a subsoil of limestone, which makes a very great difference.

13922. Is there much of this stuff grown in the Cape Colony now? I am talking of Molissima?—I do not think there is enough grown in the Cape Colony, and yet I noticed a report of Dr. Hutcheon's some years ago in which he said the black wattle was the fastest growing tree they had—that it even beat the eucalyptus; and I believe he is right.

13923. As a matter of fact, a considerable quantity is being grown now?—I know that they are growing in the Cape Colony.

13924. I know one place where they have 300 acres?—I am very pleased to hear it.

13925. If it is a fair question, what is the price you pay in Natal now for bark?—Between £7 and £8.

13926. Is that ground bark?—No—chopped, in bags.

13927. Did I understand you to say that after you started your tanning the price of the Australian leather was reduced from 1s. 2½d. to 1s. 0½d?—It went down. I am not an importer, and cannot give the exact figures, but more or less that is a fact.

13928. The mere fact of your having started the tanning here and producing the leather was the means of reducing the price of the Australian leather to the consumer here?—That may be so; it actually happened. The fact of my starting may not have caused that reduction.

13929. You said as far as you are concerned you are willing to do away with the railway preference?—Yes, if we get heavier protection.

13930. That is contingent on your getting an increase of 10 per cent. on your leather?—If we do not there will not be much Cape leather to worry the railways.

13931. When you say you have no objection to the taking away of the preferences, you refer more particularly to your own trade? You would not extend that to the agricultural industry?—I am referring to my own particular business. I have not gone into that matter very closely, but I think the railways ought simply be made to pay their way and not to derive revenue for the Government; I think the railways should be run for the people.

13932. That does not touch the point of the differentiation on the railway rates. You say you have no objection to the abolition of the differentiation on the railways. Will that simply apply to your industry, or to everything?—I am speaking for my own trade.

13933. *Mr. Tod.*] You are asking for the duty to be raised to 25 per cent.?—Yes.

13934. And you think with that duty there is a reasonable hope that the production of leather will be largely increased?—I think so. There is a better chance to-day for the tanner, with a little protection, than ever before, because of being able to get better barks.

13935. We have it in evidence in regard to harness leather that the Colonial article is not suitable. A saddler said it would not bend round the buckle?—I have brought in a few samples, and you can judge for yourselves [*producing same.*] Fraser and Sons, of Cape Town, started on our leather. Fraser made his reputation for harness on our Colonial leather; and if the gentleman who gave evidence was unfortunate enough to get leather he could not use I think he was the bigger duffer for using it when he could get better.

13936. The leather you turn out is perfectly satisfactory?—I would like you to look at the samples.

13937. You do not manufacture harness or boots and shoes?—No.

13938. Would you be in favour of giving a higher duty on boots and shoes and harness than you have on the leather?—Yes, simply for the reason that I notice in other protected countries the duty on boots and shoes and saddlery is higher than leather. Why that is I do not know. The tanners are only asking for fair play.

13939. You are speaking as a tanner?—Yes.

13940. You are not prepared to say what protection the saddler and bootmaker requires?—I have no objection to their protection; I should say they might have even a little more protection.

13941. Supposing the finer classes of boots are manufactured in this country, could you supply the leather for these?—We can supply the heavier leathers—and sole leather. We could supply goatskin and kip.

13942. You cannot supply calfskin on account of the scarcity of the calves?—There are some, but not many.

13943. Do you tan sundried hides?—No; we are using dry salted and all the fresh butcher hides we can get.

13944. You are aware the bulk of the hides going out of the country would be sun-dried?—Yes.

13945. Do you know where they are used?—No.

13946. Do you anticipate any difficulty in getting the quantity of light hides you require?—We did a little while ago, but just now they are obtainable.

13947. Do you not think if you were able to treat sun-dried hides you would have a greater selection—perhaps even calfskin?—I think all tanners know sun-dried hides and even calfskins do not make the tip-top leather that you get from a fresher skin.

13948. You have never tanned sun-dried hides?—I have, but I prefer the others.

13949. Do you find a difficulty in getting them soft?—Yes.

13950. *Mr. Scott.*] You say the finer qualities of leather for gent.'s and ladies' boots are not made here?—For the reasons I have just now given—there is no demand for that leather; we are not asked for it. The bootmakers in the country for whom we are catering to-day are practically on the rough class of work;

they make heavy Bluchers and veldschoens. The men they employ are not used to the other work, and I doubt whether they could do it without other men and machinery. As I said just now, if I were to get an order for calfskins, say, we could not supply them in any quantity of any quality, but there are classes of leathers for uppers which could be made out of kip, which we could produce if we had the demand, and very good leather, too—goatskin, Cape sheep, all making very good upper leather.

13951. Do tanners in other countries make a speciality of certain leathers?—Yes. Some tanners are only dealing with sole leather and others only harness leather. I have seen tanneries in America running on only upper leather.

13952. You are at a disadvantage in that respect?—Certainly.

13953. Can you make really good leather?—Yes.

13954. You can continue making it up to the samples you have put in?—Yes. These are samples taken out of the ordinary stocks in the works now.

13955. We have had it in evidence that the leather in the country is bad for harness making?—I am sorry that evidence was given. I should have liked to have heard whether that man got the leather from me.

13956. Are the hides you now buy a better quality than formerly?—I think so. I think people pay more attention to the flaying—although it is bad enough still from many districts—and the hides are better cared for.

13957. Can you get as many as you require?—Yes; there is no limit.

13958. There is another important question, and that is whether the growing and feeding of cattle on lucerne will improve the quality of the hides?—It must do; hence the fine leather you get in the way of calfskins from England and France. French calf is famed throughout the world. Why? Because they feed the little things on nice, succulent grass; and here the farmers turn the cattle out on to the veld, and they must get fat on tin-tacks if it is possible. The more lucerne and green fodder they get the better beef and hides we will get.

13959. I do not know whether you have mentioned branding in your statement?—I have done. I hope the Government will pass a law prohibiting the branding. I have a letter here from a customer, who complains of the brands on some of the leather he is getting. The tanners cannot help it; it is out of their hands altogether; they have to tan the hides they can get hold of.

13960. Do you suggest where the animal should be branded?—Australia has passed a law making it illegal to brand anywhere but on the ear. I think a more humane plan would be to brand on the hoof, but it is not so easily seen, I suppose.

13961. *Mr. Tod.*] The hoofs grow out?—Yes. Of course, the skin of the ear of an animal is useless. Branding on the cheek of an animal may be easier than on the ear, and would not damage any valuable part of the skin.

13962. *Mr. Scott.*] Do you think the farmers would adopt the branding on the ears?—They do in Australia, and why not here?

13963. So there would be no objection to that?—I think not. I think it is a most important thing to see to. Australia lost hundreds of thousands of pounds through having their skins branded.

13964. *Mr. Pyott.*] The present duty on leather is 12 per cent.?—Yes.

13965. That is English and Colonial?—Yes, 15 per cent. and 3 per cent. rebate.

13966. You suggest 25 per cent.?—Yes.

13967. Less 3 per cent. for British preference?—I do not know. I should not give preference to Australia; we want the whole of the 25 per cent. to compete with Australia. I do not mind England having the 3 per cent.

13968. 25 per cent. is the minimum you can carry on your business successfully with?—Yes.

13969. By putting on the further 13 per cent. what is going to be the difference in price of a pair of boots?—It will be so small that I do not think it will make any difference.

13970. Could you give an idea?—No; you will have to get that evidence from a bootmaker.

13971. What would be the average increase in the cost of a set of harness?—That I cannot give you. I reckon the tanners out here should get at least 1s. 2d. for their leather. It would pay us at that; I believe the other tanners would start if they could get that.

13972. With a larger business would you be in a position to reduce the cost of your leather?—That will naturally come. See what has happened in Australia: you can buy boots in Australia to-day cheaper than in London.

13973. Your point in asking for the higher tariff is not to increase the price of leather so much as to retain the market?—Yes, and to get a bigger turnover.

13974. We had certain objections to Colonial leather being used in harness?—I think I have answered that question. I do not think our leather was used; I will guarantee that our leather will not crack.

13975. Your leather is equally as good for harness as any leather you can import?—Yes.

13976. There is another question, and that is you said you could supply ten tons of sole leather. Are you in the same position to supply upper leather?—Not now, but eventually we can if we get the demand.

13977. Without any detriment to the small man?—You say ten tons. In what time?—I can turn out a ton a day.

13978. There is a feeling abroad that the small veldschoen maker will not be able to get the supplies of upper leather in this country? Is he in the hands of some merchant who is importing the stuff?—I suppose so.

13979. Supposing you get sufficient protection to produce leather, will you be able to supply sufficient upper leather for the requirements of the country?—I think not. If I cannot do it there will be other tanners starting.

13980. I understand there is a difficulty in getting the light class of hide?—Not now. I do not want to give myself away, but I can get thousands of them. I am getting them from Natal. We will be getting them from here soon.

13981. There are certain veldschoen makers in this country to-day who do not want further protection on leather or veldschoens. They are not tanners. They fear they will not be able to get the leather in this country?—They are quite justified in fearing it. In the past there has been a difficulty. All the tanners have been blotted out. There is very little Colonial leather produced in this country to-day, but why should not tanning be stimulated, and why should there be a dearth of leather with thousands of hides and the bark coming to the fore? If this protection comes on I will not be able to supply all the leather personally, but I do not expect I shall be the only tanner in this country. I know a merchant who is importing about £1,200 worth a month, and I tried to get his business. He said, "Can you guarantee the supply?" and I said, "Yes." "Are you quite sure?" "Yes." I said, "I will make a contract with you if you like, and you can penalise me to any tune you like if I do not supply it. Can I say more?"

13982. I understand you are not interested in the boot and shoe or veldschoen making?—We are simply tanning. We shall continue it if we can get rid of the stuff.

13983. Is it your intention to start a veldschoen factory?—Not at present, nor in the future if we can tan. I do notknow anything about the manufacturing trade.

13984. The smaller veldschoen makers will be able to get their leather from you without coming into competition with you?—Yes.

13985. *Chairman.*] Is there much glucose in the Australian leather coming here?—I am not sure. There is one leather you must use it for—not for weighting, but for a chemical action. There is a lot of leather that is very heavily weighted with barium. The Americans weight their white paper with it, and it has been used in leather to such an extent that in England I believe they have made them guarantee there is no weighting matter in the leathers, and the Australian people have had to give that guarantee in many cases. We do not use any here.

13986. *Mr. Harlow.*] I suppose you have re-opened your factory on account of the last tariff?—Yes. Of course, we had the factory there. It has cost us over £18,000, with the machinery. It was idle, and we thought there was a chance, and also there was the talk of the possibility of a further tariff.

13987. The last tariff has done a little good?—Yes.

13988. Will you tell the Commission how many men you employ?—Just now we only employ 48, I think, and our wages account is about £75 a week. Before we shut down—before the war—we were doing three times that amount.

13989. What proportion of white labour do you have to coloured?—I should think about a third when the thing is running.

13990. Practically overseers, I suppose?—And the curriers are generally white men—the better class of currier—although I find the Cape boy is intelligent, and I have had some Cape boys I would not change for white men.

13991. Have you any difficulty in getting tanners?—I am not wanting them just now. I do not think if I needed them I should have any difficulty.

13992. You can train these?—Yes, they are easily trained.

13993. But for special classes of work you must have skilled men?—Yes. We must perhaps import some of them. There will be no difficulty in getting men.

13994. You speak here of the large amount of hides which have been exported which might be tanned and used?—Yes.

13995. Could you suggest anything which would have a tendency to have that leather tanned here, in order to export the leather instead of the hide?—I think if there was a protective duty put on leather in this country the result would be similar to that in Australia. Before the tariff was put on Australia was, as I said just now, one of England's largest customers. To-day they are exporting. They would never have done that if they had not been protected first to strengthen them and give them encouragement. Here we have 5 per cent. one year and 10 per cent. another, and do not know what we will have in the future. I think we should be put on the same footing as other Colonies.

13996. You do not think this duty will raise the cost to the consumer?—A little at the start, but there will be internal competition, and the thing will right itself. I am willing to contract with some of those men who are afraid they will not get the leather at a price to please them.

13997. To supply all their requirements?—Yes.

13998. At a reasonable rate?—Yes.

13999. *Mr. Kayser.*] What is the minimum term of the tariff you would recommend?—I think we should have it for ten years.

14000. As a minimum?—I do not know whether we will get it as a minimum, but I would like it. I think we should be protected for ten years. That would encourage other people to start.

14001. That is if you get the 25 per cent.?—Yes. If we only get 15 per cent. I do not think it will encourage more people to start.

Alfred Jordan, representing the Wellington Boot Factory, examined, handed in the following statement of points in the reference he was prepared to answer questions upon:—

1. Conditions and prospects could be improved by amendments in Customs Tariff.
2. Our industry is at present well established and employing hundreds of hands and paying thousands of pounds in wages.
3. Our suggested amendments will give employment to hundreds of extra hands; cost to consumer less than at present. Revenue will not suffer to any extent.
4. In favour of preferental railway rates.
5. The tanning industry should be protected by bounties and not heavy duty on leather, as the heavy duty on leather very seriously hampers the boot manufacturers, who pay 50 per cent. more in wages than the tanner. To use Colonial leather exclusively would narrow down our range of productions, so as to make it practically impossible to continue business.
6. This question should remain out at present. If attended to would only lead to fraud, as there is no possible way of checking the manufacturer's article.
7. Yes, in many ways.

14002. *Chairman.*] You represent the Wellington Boot Factory?—Yes.

14003. Will you give any amendments you suggest in the Customs Tariff?—I am taking the terms of reference. Of course the more protection we have on things which can be manufactured in this country the more likely they are to be manufactured.

14004. Take the first item of amendments in the Customs Tariff?—The chief thing we would like is to have light leathers in duty free. I have samples with me, showing what can be made in this country and what could not possibly be made here. I speak of leather up to 5 lbs. weight. That includes glacé kid. I have here American and Canadian samples.

14005. What are they?—They are classified under different names—box calf and things of that sort [*handing in samples.*] If we could get in that leather duty free it would extend our manufactures about 100 per cent. Box calf and willow calf are the two principal items we want.

14006. Is that the only point in regard to amendments in the tariff?—That is practically all. This would not affect the revenue in any shape or form, as there is very little of this imported now. We use a certain amount, but very little. We have 15 per cent. duty against us.

14007. Do you want any other amendment in the Cuttoms Tariff?—That is the chief one. I am speaking now as a manufacturer. There are twelve of us manufacturers. We do not tan any of our own stuff, and we take it from the manufacturer's point—not the tanners' point.

14008. Do you want any alteration in the Customs Tariff besides this light leather coming in free?—Nothing particular; that is practically all we require. The present arrangement suits us very well. The boots are fairly well protected.

14009. Is there anything else you want to suggest?—No. I would like to deal with the second term of reference. Our industry is at present well established. If the present protection on boots were taken off we should be compelled to close down. Further protection would, of course, greatly increase our output. I do not ask for it personally, but it would undoubtedly increase the output.

14010. You wish the present minimum tariff kept on ?—Not all things. We cannot produce the cheap slippers in this country. It will not help the manufacturer at all. Increasd duty on the raw material would also mean ruination; any increase on leather at the present moment means we have to close down, and we are the oldest and practically the largest leather industry in the country.

14011. If you got the leathers in free which cannot be manufactured in the country you will be satisfied ?—The other leathers will be made here, but at present there is practically no supply of these light leathers available in the Colony, and at the very best only a very limited range.

14012. Do you call these samples here limited in range ?—They are unlimited.

14013. We have it in evidence that any amount of this can be had on contract, made in the Colony at any time you like ?—Such evidence is absolutely not worth considering at all. What we are at present doing is, that we have twelve factories with 400 to 600 hands, paying wages of £15,000 to £18,000 per annum, and about the same amount being paid in other ways—travellers, railway rates, etc.—and paying through the ports at present £4,000 to £5,000 on leather. We are importing over £40,000 worth per annum and paying 12½ per cent. on it, and then there are charges on top of that, which brings it up to 25 per cent. We are producing about 430,000 pairs of boots per annum, and a good part is going over the border—the Orange River Colony, Rhodesia and the Transvaal. The tanner is at present protectcd against us by 25 per cent. If the tanner should manufacture boots at the same time, he is, of course, protected against us to the extent of 25 per cent.

14014. In what way ?—We have to import our supplies.

14015. But there are tanners who are not making boots ?—There is only one tanner in the country worth calling a tanner.

14016. We have had evidence from two tanners who do not make boots ?—There are two, I think, but I do not know one. I have been in the trade 18 years and only know one.

14017. I suppose you have never troubled to buy locally; you have got into the habit of importing and you continue it ?—I think it is the seller's duty to call on the customers—although I have been round among them a bit. I called on one in particular. I sent him a wire asking him to send me fifty sides of alum leather, which I wanted very urgently. It never turned up, and I called on him. He said, "I have your wire." I asked, "Have you sent the stuff away ?" and he replied "No; we have not got any." "When can you do it ?" He replied, "I cannot; we have orders booked months ahead." I said, "Thank you," and walked out, and have never been in his place since.

14018. Do the leather manufacturers in Canada call on you offering their goods ?—Certainly. I get representatives from Australia, India, America and Canada. We have to call on people to sell our stuff. We import at present about £30,000 worth, for which we pay cash. This is in regard to the twelve boot factories which are not tanners. Although our tanners have this large market at hand, not a single tanner has called at my place within the last five years, or his representative. As regards fancy leathers coming in duty free, if we got this we should, undoubtedly, open a tremendous market for this class of stuff, and if our tanners turned in and made it they would have the market already before them, because we should be turning the article into boots in advance of the tanners if we got the light hides in free. The tanner has nothing to do but call on us and sell it if he can make it.

14019. Have you anything else in reference to that ?—No.

14020. What do you say about the preferential railway rates ?—As far as I am concerned, I think they seem to work very satisfactorily up to now. It is a big help to us in sending stuff to the Orange River Colony and Rhodesia and those places—a big consideration to the customer.

14021. Do you think it is right you should have that preference against the manufacturer in the Orange River Colony ? They object. They say they can make things up there, and why should you have a preference over them ? They have to pay ordinary rates for leather, and you want preferential rates for the manufactured goods ?—We have to pay ordinary rates for leather and get preferential rates for the boots. We are quite satisfied. If they object, they will have to as far as we are concerned. We are satisfied with it; it is a big help to us.

14022. They do not see why you should have the preference over them. You are at the port and they are a thousand miles away ?—The bulk of our manufactures have to go up-country; nothing comes down this way.

14023. Therefore, you have the preferential railway rates, which prevent their making the stuff up there ?—If there is no preference on the Colonial stuff it will be a very big hindrance to us. It is a big help to us now. I am just looking at it from our point.

14024. You are not considering the interests of manufacturers in other parts of the Colony ?—No.

14025. That is all you have to say in regard to the preferential railway rates ?—Yes.

14026. Next, you say the tanning industry should be protected by bounties ?—I am thoroughly in favour of that. This is one of the greatest questions before the Commission, in my opinion. The leather industry is one of the oldest industries ; every one of our tanners made big money out of it, and then they turned to manufacturing boots, and two firms have gone insolvent over it. One firm—Middlemores, of King Williams' Town—dropped £30,000 on boot manufacturing, and another Cape Town firm dropped £1,800 a year. Another man at Wynberg was able to retire on tanning, and went insolvent on boot-making. The tanning and boot industries will never go in this country while they are being run together.

14027. There have been tanneries which have closed down which have not been connected with the boot industry ?—Can you name any ?

14028. *Mr. Pyott.*] Jones, of Port Elizabeth, and Mossop & Garland, of Cape Town ?—They were manufacturing boots. The tanning of leather and making of boots has been tried all over the world, and it has failed. If the tanner can make the article that is required there is no necessity for him to make boots. He can sell it.

14029. You think he cannot make the article ?—There is no tannery in South Africa to-day which will give you anything you require. Last month was the first month I have been able to use any quantity of Colonial leather. One has just started, and we have placed very large orders with him for the Colonial stuff—orders which will keep him going. We are quite prepared to use every bit of Colonial and prefer it if we can get it. If I can get Colonial stuff I can dispense with at least £2,000 capital, which at present I use for imported stock, whereas it would not be necessary to hold the stock.

14030. You say one tanner has started who is giving it to you ?—That is one particular item out of forty ; it is practically sole leather I am referring to.

14031. Why should not all heavy leathers be made out here ?—Certainly they can be made out here, but at the same time they will not give you the article you want.

14032. Have you anything to say on No. 6 of the terms of reference ?—That is a question, I think, which should be left pretty open. If you are going to stipulate that it must be Colonial leather put into an article, it will mean fraud. I will finish a boot and will defy you to tell me whether it is Colonial, English, American or Australian.

14033. As to whether industrial interests can be promoted by other instruments than that of the Customs Tariff, you say, "Yes, in many ways." Will you name some of those ways ?—One thing would be for the Government to look after us better in regard to placing their contracts for boots and things. I believe the Cape Town Police boots at the present time are made out of the country ; and in regard to the King William's Town Police boots, there is soo much red-tape about it, and it is practically impossible to get an order. Do not stipulate about the whole of it being Colonial ; give it to a Colonial manufacturer. As long as it is manufactured and the wages paid on it that is sufficient.

14034. You want the bootmakers to have contracts and buy wherever they like ?—We will buy every ounce possible in the Colony.

14035. You want the contract given to the Colonial manufacturer, and he can import everything he likes ?—Now they stipulate that it shall be Colonial, and it is not Colonial in any case. A great many tanners import leather in the rough and dress it, and it goes away as Colonial.

14036. Is there any other way ?—Further protection on boots, of course, would protect it.

14037. You do not want further protection for leather ?—Further protection on leather will put us back altogether.

14038. We have it that 96 per cent. of the material used in tanning is produced in the country. Do you not think that is more important ?—No. For instance, can you mention one single waste product that is used in this country in tanning.

14039. It is all Colonial produce ?—You are only paying the percentage on labour. If there are a thousand hides put on the market to-morrow, will the Colonial tanner pay a sixteenth of a penny more for that than a man for exporting it ?—The price of all raw material will be the same. Hides, wool, feathers, etc., are staple commodities. The price of hides is ruled by cable, and if there is a rise of one-sixteenth of a penny in London it is reflected here by cable practically the same day, and the same thing in Australia and India. It is the same price to the farmer whether it goes to the local tanner or whether it is exported. Then the bulk of tanning now-a-days is done by bark extract and not by bark, and if it is done by bark that is one reason why they cannot compete—for the simple reason that it is too slow a process.

14040. *Mr. Tod.*] You believe in protection in fostering an industry, do you now ?—I believe in an extremely moderate protection for the manufacturer in this country.

14041. You feel you have that in regard to boots and shoes ?—It is good, fair protection, I think.

14042. Sufficient to enable you to make all classes of boots ?—Oh, no.

14043. Could the tariff be amended in any way to improve your position ?—If it was put to the equivalent of the Australian Tariff we should make practically all the common boots.

14044. Are you not making a high-class boot to-day ?—No.

14045. Why ?—Because of the 25 per cent. duty against us.

14046. Is there 25 per cent. on it ?—There are landing charges. It costs us 25 per cent. to land ; the duty is 15 per cent.

14047. There is the same duty on this good leather as on the commoner leather? —Yes.

14048. You ask for the higher class leather to come in free ?—Yes.

14049. I suppose the people buying this good class of boot made from the imported leather, are those who can most afford to pay the big price ?—Yes.

14050. Do you think it is wise to ask the State to forego the duty on this article whilst maintaining the duty on the poorer class ?—It is a question of whether you are maintaining the industry. You are importing things of that good-class leather now. I am sure, if our tanners are alive to the situation—and one of them is—they will soon manufacture that stuff.

14051. Do you not think it would be better to maintain the duty all round and give a higher differentiation in the difference between the duty on the raw leather and the manufactured article ? I am sure all you want is protection to manufacture the article in this country. Why do you want protection ? Do you pay more for your leather here than in other countries ?—40 per cent. more.

14052. That is the reason for your protective duty ?—One reason.

14053. In competition with other countries, all you want is that there shall be sufficient protection on that labour ?—Yes.

14054. Really, as a manufacturer, you do not mind the duty on the raw material so long as it is adjusted sufficiently to give you sufficient protection on your labour ? —But where we are handicapped is in tanners making boots. They are already protected against us.

14055. Do you not say that the tanners who had made fortunes at tanning went into boot-making and lost their fortunes ?—Yes.

14056. It seems peculiar that people should go out of a paying business and go into one which means bankruptcy ?—They retained the tanneries, but made boots also.

14057. But we know thirty tanneries have closed down. Have you ever thought why it was necessary in Australia to put a protective duty on leather ?—I believe there is a pretty big duty there.

14058. They have a protective duty of 25 per cent. and 30 per cent. to-day ?—I believe so.

14059. Yet you mentioned just now the price of hides was the same all over the world. Why did the Australians put on that duty ? Was it not to establish tanning in their own country ?—Yes.

14060. Had it not that desired result ?—Yes.

14061. They tan largely, and supply their own market and export to the market of the world ?—Largely.

14062. Do you not recognise that if there is one industry which must appeal to the people in this country it is one in which you work up the raw materials of the country entirely, 95 per cent. of the materials required being produced in the country ?—At the same time, this country is different to Australia. The bark here is inferior, and they have not sufficient of it, and the hides are worse.

14063. The bark here is better than the other countries ?—The black wattle is all right.

14064. That explanation will hardly hold water. Is there not another explanation ?—The hides here are absolutely inferior to anything you can get in Australia or Canada. I think any tanner would tell you he could not get a selection of 5 per cent. to make these calf-skins.

14065. You know very well this is not a veal-eating country, and there are no calves killed ?—Those samples are some of them hides which have been split down. This sample produced is not calf at all; it is only calf-finished. It is a split hide.

14066. Take it for granted we do not make this particular class of leather. You know it is only a small portion of what is being used, and according to your contention they are not using this, and your class of business is being done with something else ?—Yes. Here is another sample—Australian kip.

14067. I may tell you the hides in this country are just as good as in Australia, with one exception, and that is that, unlike yours, the Australians are branding rather less than they did ?—The majority of ours are badly marked and badly flayed.

14068. Is that not possible of alteration ?—Yes.

14069. You do not seriously think the tanners gave up the business because it was too profitable ?—They made money.

14070. They came forward and told us that unless they got increased protection they would shut down, and you say without the protection you ask for you will have to shut down ?—Yes. There is no tanner in this end of the country who has not made money. I have been here 18 years.

14071. It has struck us wherever we have gone that the man best able to give information as to the payability of the business is the one not in the business ?—I am giving an honest opinion. I have been 30 years in this business, and have had enough of it.

14072. Try to look at it from the point of view of doing good to the country at large ?—That is why I suggest the bonus. If you give a tanner a bonus on the stuff he sells he will cater for the South African market and supply us with everything we want.

14073. But you say this industry cannot be successfully conducted, and yet you ask for a bonus ?—It could be successful on certain lines.

14074. If it is not right to protect it by means of a protective duty, why should you bolster up a rotten industry by means of a bonus ?—You misunderstand me. I say tanning can be carried on here extremely successfully, and is being now. There was one firm—Mossop & Garland—here were tanners and very successful for years, and then they started boot-making some years ago, and it brought them trouble. They dissolved partnership and went out of it. Now young Mossop has started tanning pure and simple, and is not touching the boot manufacturing, and I and Mobbs, of Port Elizabeth, have placed very large orders with him. I got my supply last month from him.

14075. You think the tanner should not be a bootmaker, but you have stated just now that there are certain lines they do make all right ?—Yes.

14076. Do you not think it would be good to give protection on those lines ?—I do not think they want it now, because they are competing successfully. The sample of Australian kip leather produced I am paying 20 per cent. more for than what the Colonial tanners are quoting for theirs.

14077. I can assure you, speaking as a practical man, that the Colonial article I have seen is superior to this ?—But we cannot get a supply of kip, nor a supply of sole leather. A little while ago there was none to be had, and I would have given a thousand pounds for a bale of sole leather.

14078. Surely, if this business is so very profitable as you say these people will embark in it ?—They have done in a little petti-fogging way, and no one here seems to have any backbone to get along with it. I think these people starting fresh will probably go.

14079. Of course we have a great deal of evidence at different places in regard to the manufacture of the cheaper class of boot, and some of the evidence has been to the effect that in this country we cannot make the best class of boot ?—That is so. We cannot really successfully compete with the higher-class boots. They have the raw material on the other side, and have had the trained labour in places like Leicester and Northampton for years and years, which we have never had. We may do it in ten or twenty years to compete.

14080. It is too specialised a line for you to take up ?—Absolutely the best class stuff.

14081. What class of boot do you mean now—just the very highest class ?—High and medium class. I have a few samples of our boots here [*producing same*]. This is a youth's school boot. It is sold chiefly in the Orange River Colony and those places, and not much in Cape Town.

14082. Have you a sample of the best boot you make ?—I have not got a sample of our best here.

14083. In the meantime you do not think we can go in for the highest class of boots in this country ?—I do not think we could make any of the high-class stuff with a protection of 100 per cent. ; that is my honest opinion.

14084. With regard to the minimum duty on men's, women's and children's boots of 9d., 6d. and 3d., the Commission have had their attention drawn to the fact that this duty applies to cloth and canvas boots. Do you think it would be better, instead of having these minimum rates per pair, to bring it to an *ad valorem* rate of, say, 30 per cent.? Would not that protect the veldschoen industry ?—It would affect the revenue very much more than us. It comes out more than 30 per cent. on some stuff now. We are producing men's leather shoes at 2s. 9d. up to 7s. 9d., and so on, and when there is 1s. protection on this it means an enormous amount, where 30 per cent. would not come out near it.

14085. You are not in favour of doing away with the special rates ?—I think the special rates are more favourable to us.

14086. Even although it implies a hardship in regard to certain cheap classes of shoes and rubber shoes, which we cannot make here ?—Why not specialise in regard to these goods ? Why put 1s. a pair on canvas shoes ?

14087. You think it would be sufficient if we adopted a definition, and made an exception of the boots made of rubber or canvas ?—I quite agree you should make an exception of them.

14088. Would you be in favour of extending that exemption to shoes with leather soles ?—No.

14089. They must be entirely of canvas or rubber ?—These canvas goloshes cannot be made here, and it is only fleecing the public.

14090. To revert to the differential railway rate, you have heard of the hardship the country people say these rates inflict on them ?—Yes.

14091. Of course all you want is protection against the oversea article ? You do not wish to have advantage as against a Transvaal or Orange River Colony manufacturer ?—No.

14092. Would it be sufficient for your purpose if anything taken off the preferential railway rate were added at the Customs ?—As long as we are on a footing it does not matter. If it was an advantage to the other Colonies we should agree to it.

14093. You want protection against the oversea article ?—That is practically the whole thing.

14094. You are satisfied with the present duty ?—Of course, if the railway rate were reduced I think there should be some equivalent in place of it.

14095. But nothing further than that ?—I think it is enough for us, and if we cannot make it go at that we should call it best.

14096. What class of labour do you employ in your factory ?—I now only have eight white men, and the rest are Cape coloured. They are all men I have trained myself. I have trained scores of them, and they are practically doing the whole of the boot trade in the Colony, and will do for ever.

14097. Do you pay by piece or day ?—I pay all my men by day-work right through. I pay the white men £3 15s. to £3 on an average, and coloured 30s. to 40s.

14098. I suppose the white men are doing the more skilled work ?—They are in the clicking department and press-room—the more skilled departments. I have the wages return here for the Old Country for a week. There were 62,000 employed in England, and the wages paid £61,300, represented less than £1 per head right round, and that might be divided by half—say men 30s. a week and women 10s. This is the Board of Trade return for the boot trade only.

14099. How do your wages compare with that ?—40 per cent. above it, even the coloured labour. The standard wage there is 28s. to 30s. a week, and ours here is £3.

14100. *Mr. Scott.*] Will you tell the Commission who you sell your boots to in Town—which merchants ?—This is a very big question really, but I must say this that there are several merchants here who are doing their best to push Colonial stuff—Garlicks, Splihaus, Eaton Robins and several others. These are general merchants.

14101. Who are the several others ?—There are several others I cannot think of offhand.

14102. You have been in communication with people in Port Elizabeth on this tariff question ?—Yes, the manufacturers round there.

14103. Have you seriously tried the tanners in this part of the country ?—Up to a year ago I seriously tried the tanners, and could not get an ounce of stuff from any one with any satisfaction, not to speak of our supplies.

14104. Have not the conditions changed within the last twelve months ?—Slightly, and in the meantime we have placed our orders with the local tanners.

14105. Have not the tanners had great difficulty in the last few years in producing leather ?—I believe so. I believe there have been some difficulties with rinderpest and so on ; hides were too dear. Rinderpest really made the great difference with our tanners.

14106. If the tanner is not encouraged to produce high-class leather, how will he make it ?—We have the market for him ; will he cater for it ?

14107. We have evidence that he will ?—He stated so at the last Commission, but he has never been near us.

14108. You said tanners had made fortunes. I suppose they can be made again ?—Certainly.

14109. If they get encouragement ?—They are doing well now as far as I know.

14110. They tell us they suffer from the dumping of cheap leather from other countries ?—I have invoices to prove that the leather I am getting is 20 per cent. more than what the Cape leather has been offered at, and I am using the imported because it is the best.

14111. We also have evidence from practical men that the imported leather is not better ?—To start with, in Australia they have an Adulteration Act, and are not allowed to send out anything adulterated without distinctly stating on the label the amount of adulteration ; and here they shove as much as five pounds of paraffin wax into the alum leather here.

14112. We have evidence that the foreign leather is heavily weighted ?—They would not sell it to a man like me ; we know how to take foreign matter out. We are the largest importers in the country, and it would not do to send it to us, because we can find out how it is weighted.

14113. Is the leather made in this country equal to the imported leather ?—About two classes, that is all. The sole leather that one particular tanner is doing at present, is very good.

14114. Harness leather ?—They are making downright good harness leather. If they could only produce the same boot leather as harness leather, we should hardly need to go outside for a thing.

14115. The harness-maker tells us they cannot make good harness leather ?—I have seen excellent leather ; whether they can do it in quantities I cannot say.

14116. If the duty on leather is increased, do you think the Colonial tanner will increase his price ? Certainly ; they will form a monopoly and squeeze us out.

14117. How can they form a monopoly ?—For the simple reason that they will not sell to us ; they will not come near us.

14118. We have evidence from the tanners that they are very anxious to sell to the bootmakers ?—Why do they not look us up ? They know we are using so much, and they will not come near us.

14119. You have admitted the difficulty on account of the rinderpest ?—That was some years ago.

14120. Probably there is a want of capital in the tanning industry at present ?—I do not know that. There is capital required in most industries.

14121. Have the men who made the fortunes still got them ?—Yes.

14122. They are not willing to increase them by starting again ?—The old people have gone out.

14123. The sons are in the business ?—The sons are not always the same as the fathers.

14124. You said you could not make a high-class boot ?—Yes.

14125. We have seen high-class boots made in the East. I saw them being made in factories which I visited ?—That is not the point. I can sit down and make a high-class boot to compare with anything to be produced in Europe, but when I say we cannot do it I mean commercially—to compete.

14126. Is the boot you showed us the best ?—No—the average boot. The boots I have on I made myself, and have worn for three years.

14127. What is the reason you do not make the high-class boot for the country ? —Everything connected with the industry is against us. I have put £2,000 in buildings and machinery since the last Convention, and to make a high-class boot would have to put in £4,000 at once. I would have to get new machinery, knives, press and everything, and the output would not pay at all.

14128. How many coloured men have you in your factory ?—About sixty.

14129. So that the proportion of whites is very small ?—Yes, and always will be in this country.

14130. Is not that the reason why you are not making the high-class boot ? —Not at all. I have imported dozens of white men from Leicester and Northampton for all classes of the boot trade, and they have not been very successful.

14131. Still, you only employ eight white men as against sixty coloured ? Then the tanners employ as a rule one white man or two in a tannery. I have been in factories round the East where they were all white except coloured men with the cheaper articles, and they were making high-class boots ?—But not commercially.

14132. Yes, they were making them to sell ?—For some little shop, I suppose. They could not compete with 100 per cent. on.

14133. If the duty is increased on the leather, will you want any increase on your boots?—We ought to get the equivalent at the very least.

14134. You want to be protected yourself ?—Yes. If you increase the duty on leather and do not put an equivalent on boots, it will mean the tanner will shut us out for the next 25 years.

14135. The tanner says he must be further protected against the dumping of cheap leather ?—There is no such thing. I am one of the largest importers in this country, and there is none dumped here.

14136. You do not think it is fair to protect the tanner ?—I think if they cannot do with the present protection—the tanner and the bootmaker—they should be shut down. That is my candid opinion about the whole thing.

14137. *Mr. Kayser.*] You consider both yourself, as a boot manufacturer, and the tanner are amply protected under the present tariff?—Yes.

14138. You say you are paying more for imported leather ?—Yes.

14139. Do you mind giving the difference in the prices and the class of leather for which you pay more ?—You cannot buy and land Australian sole leather to-day under 1s. 1¼d. to 1s. 1½d. You can buy Cape sole leather at least 1d. below that.

14140. Equal in quality ?—I cannot say equal, but it will answer our purpose. The question is whether we can get a continuation of this. We may only be able to do it for one month. Three months ago I could not get a week's supply if our lives depended on it.

14141. Can you buy a better class of sole leather than the one you mention ? —You can.

14142. If you are willing to pay a little more money ?—Yes.

14143. What other leather are you paying more for from the other side ?—For the kip sample produced I am paying 1s. 11d. in Australia.

14144. What is the price landed here ?—2s. 6d.

14145. And the Cape ?—They give you a sample at 1s. 8d.

14146. And you prefer to pay 1s. 4½d. for this because the Cape is not so good ? —It cuts up equally as well as the Cape at 1s. 9d. In the cutting it is so much better and cleaner, and there is no waste. The flanks and everything are dressed so much better.

14147. It really pays you better to pay more for the Australian imported leather than for the Colonial ?—That costs 2s. 4½d. as against the Colonial at 1s. 9d., and it comes out equally cheaply. But, then, there are no supplies of Colonial to be had. I have orders standing. I have tried one tanner I am prepared to buy from, and he cannot give us any kip.

14148. He cannot get the light hides ; is that the reason ?—Yes.

14149. You said you were prepared to send in your invoices to prove your statement that you are paying more money for the imported article than the other ?—Yes, I will do so.

14150. Is it a fact you must have a separate equipment to manufacture better class goods ?—Certainly.

14151. And that is the reason, in your opinion, why most of the factories are not making them ?—It amounts to this. Leicester makes practically women's stuff, and the factories are equipped accordingly ; Northampton makes men's, and Norwich makes infants' goods. You can go into factories five times the size of this place where they are not making boots above a certain size. They specialise.

14152. The information we have agrees exactly with yours as far as the quality is concerned. They all tell us they have not been able to make the better class for the market, but they can make it in this country ?—Of course they can. I can make a high-class boot, but it does not pay.

14153. Is it because you have not your own stores to sell them ?—That is a mistake. A manufacturer cannot open a retail shop. I do not approve of it ; it is not the correct lines.

14154. Will the ordinary distributors take up your better class boots if you make them ?—No, because we cannot produce the things they require. All the little things for a boot—eyes, hooks, linings, etc.—you can get next door in England, and here you have to cable for it or stock it.

14155. Your industry is well established ?—We have been going for many years.

14156. You want no further protection ?—Not unless the leather is increased. If it is increased, we do.

14157. You want no further protection at present ?—That is correct.

14158. You make a request that articles of light leather, similar to glacé kid and so on, up to 5 lbs. in weight, shall be imported free ?—Yes.

14159. Would that reduce the price ?—It would reduce the price by the amount of the present duty and give a chance to compete.

14160. Will the reduction of the duty on these things reduce the prices of the articles for which you use them ?—It will to the same extent.

14161. You say you have absolutely no objection to buying the Colonial article if it can be supplied ?—We will have a decided preference for it.

14162. Even at the same price ?—Yes.

14163. Quality for quality ?—Yes, provided we can get regular supplies.

14164. Of course, the difficulty you have pointed out was admitted by a Cape Town manufacturer, but he says he is in a position to-day to supply, and says he is increasing his output. That being the case, you will buy from him regularly ?—The tanners are all increasing their output—practically working overtime.

14165. You expect to get your supply ?—Of sole leather.

14166. If you can get the leather, you are prepared to buy at equal prices ?—Yes. You can understand it means an immense amount of capital to import and keep in stock.

14167. Would the duty on sole leather being increased affect you ?—I do not think it would.

14168. Because you are paying more for the imported article ?—Yes.

14169. So, as far as sole leather is concerned, you would not mind an exception being made of that to assist the tanner to make the better article ?—No, unless the tanners formed a ring—there are only three or four of them—when they would have us in a box.

14170. You say frankly, if the duties were reduced on your articles you would be able to make a reduction in your price ?—Yes.

14171. Do you feel the preferential railway rates are a very great assistance to you ?—In the long distances.

14172. It is the buyer up-country whom it affects ?—Yes.

14173. Would he not pay the same ?—It means 10 per cent. on the railway carriage.

14174. Does he not put that in his pocket ?—I cannot say.

14175. You simply want this preference for the benefit of the customer ?—Yes.

14176. It would not affect you ?—No.

14177. If the differential railway rate were taken off, would you not sell at the same price ?—No.

14178. Even if you had to allow for the extra railage ?—No ; our prices are cut too fine.

14179. Do you think if the reduction on the railway carriage were removed the orders would go oversea ?—No, I do not think so.

14180. You think they would buy the goods from you ?—Yes.

14181. It is simply for the satisfaction of the customer that you want it to remain ?—Yes ; it is a consideration for them if they get 10 per cent. on the railway rate going up.

14182. With regard to this import of leather, can you say what the imports consist of mostly ? Can you divide up the values, and say how much value sole leather there was, etc. ? I do not know whether you have it in your figures. We have not got it in the Blue Book ?—I can give you the figures from the other end more or less ; I can send in a statement afterwards.

14183. What is the proportion of the total value of the sole to the upper leather? —It is fancy leather I am asking to come in duty free. I would not say the amount of fancy leather at present imported is above £5,000 or £6,000 for the whole Colony.

14184. Glace kid and so on ?—Yes.

14185. Am I to understand that the bulk of the £40,000 worth imported into Cape Town consists solely of sole or harness leather ?—I cannot give the information offhand, but will do so later on.

14186. You are quite satisfied with the present duties. Will it help you if you have the tariff fixed for a period ?—Our trouble is the everlasting shifting of the tariff.

14187. Will you say how many years you would like it to last ?—I think seven years at the very least.

14188. And future Conventions should be for a minimum of seven years at the very least ?—Yes.

14189. Would not five years be sufficient ?—It might be for practical purposes, but it should be at least five years.

14190. You say you have been in business a long while in this country ?—Eighteen years. I was managing a boot factory for some years in this country and have been in the present concern for eight years.

14191. And have been running it successfully for eight years ?—Yes, and increasing the output—even during the depression.

14192. Under the last duty you were still able to manufacture boots and shoes satisfactorily ?—Yes.

14193. *Mr. Harlow.*] You made a statement that it was a fact that these tanners had closed down because they took on boot manufacturing ?—In practically every case.

14194. Do you know how many tanners have closed down during the last twenty years ?—I could not say that.

14195. Would you be surprised to hear there were thirty ?—I would be very much surprised. Of course you must understand I am not a tanner. Some people call a tanner a man who is doing half-a-dozen goat skins once per annum in a tub. Personally, at this end, I am not aware of one that has closed down in 18 years.

14196. You do not know Mossop & Garland closed down ?—Mossop now is the only tanner we can rely on. He has not closed down.

14197. In reference to the order for alum leather, you say it could not be supplied, and you had to go somewhere else ?—Yes.

14198. Is it not a fact that alum leather is a manufacture peculiar to this country ?—Yes.

14199. Where did you get lt then ?—I got it here eventually, but I had to try three manufacturers. I have an alum leather shoe, and we sell any amount up-country—to the farmer class especially. I could have used thousand of sides more of alum leather during the last few years if I could have got them. I was reduced to buying the hides and sending them to a tanner to be tanned, and they were tanned so badly that when I sent the stuff to my customer he would not take them.

14200. Do you not think the bootmaker has something on his shoulders in reference to this business by not giving encouragement to the Colonial tanner ?—We are prepared to encourage and push them in every way we can.

14201. You have not done in the past ?—We have done. We have taken every ounce of stuff they can offer us. We encourage them in every possible way we can, 14202. Is not the reason you cannot get your supplies just when you want them that you have not placed the orders previously ?—As a rule our orders are standing orders to supply so much per month, and if the tanner wants more than that Heaven help him.

14203. Do you know there are tanners who are prepared to contract to supply ? —Only one ; that is my experience.

14204. Will you tell us where the twelve factories are ?—Four at this end and three at Port Elizabeth. I could supply a list of them.

14205. I take it your suggestions this morning are the wishes of the whole body of manufacturers ?—I have seen Jagger here, and have agreed with those in Port Elizabeth more or less to give the same evidence as they. I speak for the body.

14206. Do you think we would be justified in recommending a bounty on articles in which 50 per cent. of the material was imported ?—I should not think so—not as a Colonial industry.

14207. But as a matter of fact, 50 per cent. of your better class of boots is imported material ?—At present.

14208. You do not think there is any possibility of its being done in this country ?—My contention is this, that if we could get in the stuff duty free we would open a market to be supplied.

14209. Do you know some of the tanners in this country are extending their premises ?—Yes.

14210. And that that is through the last leather tariff ?—They are all going strong as far as I know.

14211. Do you get your fair share of Government contracts—the bootmakers here ?—We are not allowed to compete, because nearly all the Government boot contracts state that it is to be Colonial leather. Of course, there is no man breathing who can tell in boots whether the whole is Colonial. The tanner can put in Colonial or imported leather, but we cannot.

14212. Why ?—For the simple reason that they would capture us by saying that up to the present we have been using nearly all imported.

14213. In reference to the tanning industry, you said the bulk was done in this country by extract of bark ?—A great deal of it is.

14214. Would you be surprised to hear that 86,000 tons of bark have been exported ?—I know it has been exported from Natal.

14215. And as a matter of fact the Colonial tanner prefers it to anything he can import ?—As bark ; I know that. But in the new process they are bound to use essence of bark, because the tanning is done in a wheel and not in pits.

14216. They are using bark principally ?—Yes, but some use bark essence and tan in a wheel, which is done in a much shorter time.

14217. With reference to the tariff on the slippers, you do not suggest that it should remain on ?—No ; take it off, and let them be duty free as far as I am concerned. It is simply making the public grumble about supporting Colonial industries.

14218. It has been an injustice on the lower-paid classes ?—Yes. It is a shame to put a duty on those things. On a great many of them the duty amounts to 100 per cent. of the cost of production oversea. There is practically 100 per cent. duty on the value of making them, We could not make those.

14219. *Mr. Pyott.*] Up to what price boot are you manufacturing now ?—We run about half-a-dozen lines, and they range immensely.

14220. Up to what price can you compete with the imported boot with your present protection ?—Up to 7s. 6d.

14221. I think you said if this stuff was allowed to come in duty free, and the tanners began to manufacture it, you would have created a market and they would then be able to supply it ?—Yes.

14222. If you cannot get it to-day, how will the tanner live to do it if the duty is taken off ?—They can live to do it. They are competing in two or three lines.

14223. How is it possible for a man to compete with this high-class leather with no duty at all if he is only competing to-day on the rough class of leather at 12½ per cent. ?—He is not making that leather, and we are not using it to a great extent, and I say if we could get the stuff in duty free we would create a market in advance of the tanner.

14224. Say he wants 25 per cent. to enable him to make it ?—He would shut us down again.

14225. How will he supply this leather against no tariff at all?—If he can get anything near the thing in five or ten years you might put a duty on if he can produce anything like that.

14226. You say he cannot produce to-day?—I think any of them will admit that.

14227. What is the price of this leather?—About 8½d. a foot—about 7s. 6d. a pound.

14228. You are not a tanner?—No.

14229. You do not think tanners require more protection?—All I know are doing very well, and the largest and only tanner told me he was perfectly satisfied with the present arrangement. We only admit there is one tanner in the Western Province, and he says he is perfectly satisfied with the present arrangement.

14230. Would you mind telling us the name?—That is young Mossop. He told me that in conversation, and also some time ago in front of Mr. Woodhead.

14231. I understand the difficulty is that tanners are also bootmakers?—Yes.

14232. And you do not like to be left in the hands of the tanners in this country?—Not while they are boot making. They want to sell the stuff at their prices and make up their rubbish and inferior stuff to compete against us.

14233. It would suit you much better in this country if there were no tanners at all?—No; we want them badly, and if you can arrange to support a tanner purely as a tanner the industry will go ahead by leaps and bounds.

14234. Your objection to protecting the tanner nowadays is that he is not only a tanner, but also a boot-maker?—That is it. I would not mind protecting the pure tanner, or giving a bonus.

14235. You think if you give them more protection to-day as tanners, eventually you, as boot-makers, will be squeezed out?—Eventually, after years of hard work.

14236. *Mr. Tod.*] Do you mind giving some more information about the slipper you showed me? That comes under the special rated duty?—It is a woman's shoe.

14237. What would be the value of a similar article to that imported?—About 3s. 6d.

14238. Would it come under the rated duty?—Yes, of 6d. a pair.

14238A. Do you mind telling us the value of the labour in a slipper of that sort?—[Answer given in confidence].

14239. What is it sold for?—It is retailed for 6s.

14240. *Mr. Pyott.*] What is your wholesale price?—A long way below; 3s. 11d. is the wholesale price. It is Colonial leather, too. If I could depend on that I would not trouble to get Australian.

14241. *Mr. Tod.*] But it cuts up so profitably if you buy the leather by the pound?—Yes.

14242. The importer has to pay the duty on the raw material plus the duty on the labour and you have only to pay the duty on the material, so you have an advantage there?—Yes, that is so; that is a consideration. But at the same time our labour is very much dearer and our sundries are so much more.

14243. The wholesale price is 3s. 11d., and it is retailed at 6s.?—I am speaking of the Orange River Colony; it would be retailed here for much less.

14244. Is there not a market in Cape Town for it?—The merchants in Cape Town now are assisting us well. Here is a black one at 2d. more, which will give a year's honest wear. The price is 4s. 2d. a pair. That is what I contend as regards the leather being Colonial. Who can tell me what leather is in this shoe, whether it is Colonial, Australian or American?

James Sanderson, Saddle and Harness Maker and Tanner; *Albert John Coaton*, of the Western Tanning and Boot Co., and *Henry Woodhead*, of Woodhead & Sons, Tanners and Boot Manufacturers, representing the Boot and Leather industry, examined on the following statement:

To the Chairman and Members of the
Customs Tariff Commission.

TANNING INDUSTRY.

Sirs,—In reply to your favour of the 2nd inst., I would beg to suggest that the duty on leather as it now stands at 15 per cent. be increased to 25 per cent., and the free or 3 per cent. Tariff remain as at present, An increase of 10 per cent. on the present Tariff would be the means of bringing back the prosperity the Industry formerly enjoyed. It would also mean a considerable increase of capital and give employment to hundreds of men who are now walking about the streets begging for something to do.

All the hides and skins which are now leaving the country could be tanned here and the balance not used would be exported as leather and not as raw material. The Farmer would be benefited by having a market for his bark, also for lime and bran: the Government would also be able to dispose of all the seal oil obtainable, which industry they spoke of closing down having no market for the oil.

There are 95 per cent. of Colonial Products used in the manufacture of leather, and I have no doubt that another 2½ per cent. could be found in the country, so that there would be 97½ per cent. of Colonial products in the article, a larger proportion I would venture to say than any other article manufactured in the country.

There is an outcry at present that sufficient leather cannot be manufactured to supply the demand; this would soon be remedied. The few tanneries that are now in existence are only working a third of their capacity, other tanneries would be brought into life again besides new industries that would open out provided that the duty would not be taken off for about ten years. By that time the tanners would be on such a firm footing, that they would be able to stand against any competition that may come against them.

During the time of the war there was such a demand for leather, and the duty being only 10 per cent. less 2½ per cent. for British manufacture, that every country was pushing their goods into our market, and having found a demand and having a protective duty in their own country they have been enabled to send their surplus stocks here and sell at less than they get on their own market and by that means keep their factories in full work and ours closed down

It is again said that if the duty is increased that the price of leather will be raised to the consumer. This I beg to state will not be the case, for the larger the quantity turned out the less it will cost.

At the last Customs Conference the duty on Harness was increased to 25 per cent.; since then the prices have been reduced and more men employed in the manufacture.

IMPORTS.

There was imported into this Colony during six months of this year £62,000 of Leather of which £36,000 came from Australia; during the ten months of 1907 Leather and Leather Goods were imported to the amount of £141,354, the most of these goods with a little assistance could have been manufactured out here.

EXPORTS.

During ten months of this year there was exported from this Colony, Hides, £86,180; Goatkins, £208,095; Sheepskins, £375,678; in all £669,953, or an average for the year of say £804,000, the whole or greater part with a little assistance and time could be made into leather, which would mean giving employment to hundreds or you might say thousands of men that are now walking the streets looking for work, while all the aforementioned raw material in leaving the country for others to work up only to be returned in part for our own use 95 per cent. of the material for the manufacture of leather is being sent out of the country for the benefit of others when it could be worked up and give employment to our children and keep them in their own country and not drive those out who have the means to go leaving the others to watch the raw material shipped away which would give them employment.

All the increase of duty we ask for is 10 per cent. and which we hold would not increase the price to the consumer, and at the same time alleviate at least a part of the great misery that our people are suffering.

Yours faithfully,

JAS. SANDERSON.

Woodstock,
4th December, 1907.

To the Chairman and Members of the Customs Tariff Commission.

HARNESS AND SADDLERY INDUSTRY.

Sirs,—In response to your letter of the 2nd inst., I would beg to suggest that the Tariff on Harness and Saddlery remain as at present, viz., 25 per cent. *ad valorem* to which should be added to the same Tariff (25 per cent.), as under:—

Saddles. Gents, Ladies and Pilch (Riding).
Girths. Leather Saddle.
Fetlock Boots, Leather.
Knee Caps, Leather.
Halters.
Headstalls.
Bridles.
Hobbles.
Knee Bands.
Stirrup Leathers.
Gun Buckets.
Nose Bags.
Neck Collars.
Riding Bridles.
Martingales and Cruppers.
Saddle Bags.
Wallets.
Valises.
Leggings.
Gig Saddles.
Dog Collars.
Letter Bags.
Post Bags.
Leather School Bags.

All others to remain as before.

Yours faithfully,

JAS SANDERSON.

14245. *Chairman.*] Have you anything to add to Mr. Sanderson's statement, Mr. Coaton ?—*Mr. Coaton.*] I have a few remarks to add as follows:

I have noted with regret the selfish spirit prevailing throughout the evidence of the majority of witnesses and correspondents and would like to touch upon a few points:—

Bastard Industry.—One correspondent, signing himself "Sense," refers to the Boot trade as a bastard industry. If he is thinking of the man who utilises nothing but imported leather even although as he, the Manufacturer, states he pays 20 per cent. more for the imported article and only buys Colonial when his shipment of imported is delayed, he has hit the right nail, but if he refers to the Boot manufacturer who uses entirely Colonial leather and turns out a boot containing from 75 per cent. to 95 per cent. of Colonial labour and material, then he is quite at sea. The same remarks may apply to the Tanning business, and I challenge anyone to bring forward another Colonial industry of which 95 per cent. of the raw material is Colonial.

We require no bonus but a fair protection at the port, for the Tanning as well as the Boot business. The Tanner-Bootmaker, as we have been called, conducts his Tanning and Bootmaking as two distinct concerns and charges his leather up to the Boot factory at the same rate as he would sell to any other Bootmaker, otherwise his factory would show a false profit instead of a probable loss, as the Tanning business is apparently such a profitable business there is nothing to prevent the 12 non-tanning Bootmakers opening up Tanneries of their own or securing some of the many already closed on very favourable terms. We have as much right to run a Boot factory in connection with our Tannery as a merchant has to run one in connection with his drapery.

The statement that light leathers cannot be produced here is decidedly false. The samples now put in were all turned out at our works. We are manufacturing from these daily and are prepared to quote for quantities. We have never been approached by a single manufacturer for prices of our leathers.

All the Tanneries running Boot Factories started these as an outlet for their leather when there were no other Boot Factories established out here and these bastard factories only came into existence when the tariff was so low that more than half of the old Tanneries had to close down.

With the exception of one year we have held the Railway Boot Contract for the past five years, and, although some boots are specially stipulated as "English" uppers, all these boots have been produced entirely from leather tanned in our own yard, and during all this time we have not had a single boot returned nor have we had any complaints about wear or appearance, and the Government should certainly insist upon nothing but Colonial leather being used in these contracts. I would strongly urge upon the Commission to obtain a report on these goods from the Chief Railway Storekeeper.

I may also mention that our leather has been tested alongside of Australian leather in a certain Convict Station and the wearing quality of ours has been pronounced far superior to the latter. These are indisputable facts proving the superiority of South African leathers over imported.

As an ocular demonstration of what can be produced out here, we are opening up a Retail branch in Cape Town next month. The Public and Parliament will then be able to judge whether or not we deserve encouragement by further protection.

We do not object to paying the full duty on all such leathers as are not yet being produced out here, even if only for the purpose of swelling the revenue.

The present duty, although it has been an assistance in arresting the rapid decline in our trade, has only given what we anticipated, barely "making time." It is essential if this industry is to exist and progress that a fairer basis of protection be arrived at.

We utilize all the raw products this country can produce, which means everything that is leather, and have to compete against the surplus and shoddy from other countries. With a protection of at least 25 per cent. on leather and 30 per cent. on boots we could hold our own and progress, and I have no hesitation in saying that, provided the tariff be fixed for at least ten years, we will soon see the export of hides diminish and South African leather will be as well known on the London market as Australian. Our leathers are quite as good as any imported and, in a good many instances, more durable. Generally speaking, all our boots are made exclusively from our own tanned leather, with the exception of such lines as glace kid, and compare very favourably in appearance and will wear considerably better than any imported boot of the same value. Increased protection would not advance the price of leather or boots, as internal competition would always regulate prices, and with increased demand cost of production would be lowered, and in its wake would follow reduction of prices in boots and leather.

Protection would encourage present manufacturers to expand their businesses and induce others to open up new factories, and this would eventually mean the centralization or classification of the boot and leather trades, thereby causing production at the lowest possible cost. I would suggest that the Customs duties be classified as follows:—

Protective on anything that can be produced in this country.

Revenue on anything that cannot be produced in this country.

Free or nominal free list, including all such articles as are required in the manufacturing and agricultural industries and which cannot be legitimately produced in this country.

14246. *Mr. Tod.*] You mention to the Commission the leathers you recommend should not be protected. You indicate that there are certain leathers not being manufactured here ?—As far as we are concerned, as boot-makers, we are prepared to pay full duty on everything we import.

14247. We have had it in evidence that there are no calf-skins tanned in the Colony, the explanation being given that this is not a veal-eating country and no calves are killed, and therefore no skins are available ?—In the Western Province we have always been under the impression that the only calf skin obtainable was from the young calf—a month or two months old—but quite recently we had a hide merchant from Port Elizabeth prepared to deliver us any quantity of calf-skins we might require, and we are in communication with him at present.

14248. Are they sun-dried ?—No, dry-salted. I suppose he will deliver them wet-salted, too.

14249. Could you tell the Commission the name of the firm offering the calfskins ?—Walter Lane and Co., of Port Elizabeth.

14250. What proportion of the leather used in boot-making can be manufactured in the Colony ?—It greatly depends on the class of boot. The majority of our boots are made of purely Colonial leather.

14251. I will first ask you something in regard to boots. Can you manufacture all classes of boots ?—We can manufacture all classes of machine-sewn boots and rivetted boots .

14252. Would that practically cover the everyday boots ?—There is the welted boot, which requires a considerable plant, and I do not think any manufacturer would go in for an expensive plant of that kind unless he could see a profitable return.

14253. Do you think the market in South Africa will not be sufficient to justify a plant of this nature ?—Not with the present protection.

14254. We have, roughly, a population of a million white people. If you had that market, and were protected from oversea competition sufficient to enable you to command that capital, could you manufacture the class of boots required ? —Yes, I am quite confident we could.

14255. Is the plant for a welted boot a very expensive one ?—It is quite as expensive as the plant for an ordinary boot manufactory. It is a distinct class of trade and means an extra plant.

14256. You suggest 30 per cent. on boots. Would you require a higher duty for some boots to be manufactured ?—I have reconsidered that. On further consideration I have come to the conclusion that 25 per cent. on both boots and leather would be fair.

14257. You want no differentiation as between the manufactured article and the leather ?—No. That is, of course, the minimum ; the amount of any rebate would have to be added.

14258. To come back to the better class of boot, will that be sufficient protection to enable you to manufacture these goods in this country ?—I think so.

14259. Welted boots are not manufactured here at present?—Only by hand, which is a very expensive process.

14260. And made in that way, it is impossible to compete—with the machine-made article, at any rate ?—Yes.

14261. You think 25 per cent. protection would enable you to compete very favourably with the imported article ?—I think so.

14262. Do you think, if this duty is placed on leather, there is a fair prospect of the tanning industry going ahead in the Colony ?—I certainly think so.

14263. I suppose it is making a little headway even now ?—I should say only just keeps going.

14264. There is no inducement for any one to embark in the business under the present tariff ?—Certainly not.

14265. I suppose in a business like tanning you would like some lengthy period for the Customs Convention to hold good if you had the protection ?—Yes.

14266. What would be your idea of a minimum term ?—We think at least ten years to enable us to go in for extensive plant and machinery.

14267. Tanning is not like other businesses. It takes about two years to get into full swing ?—Quite, and a tannery requires a very large capital to run.

14268. So really you want an assurance of continuity for ten years as far as the tanning industry is concerned ?—Yes.

14269. Are you affected by the preferential railway rates ?—To a very small extent. The boot and tanning business happens to be one of the few Colonial industries singled out the goods of which are not carried at the third-class rate. We pay the highest rate, with a few other manufacturers in the country. Our boots are carried at the 2B rate. The difference between that and the imported rate is so slight that we would not press the point. At the same time, we certainly think the State Railway should encourage State industries.

14270. But you are aware the inland manufacturer complains that these differential railway rates constitute an advantage to the coast manufacturer. In many industries the raw material is carried up at one rate—say to Kimberley—and the finished article is sent up at 20 per cent. less, thereby constituting a hardship on the Kimberley manufacturer. What the Commission would like to hear is what your idea is in regard to the differential railway rate. Do you think it should be maintained, or do you think the protection the manufacturer requires should be given through the Customs ?—If we get sufficient Customs protection we are quite prepared to forego any differential rates.

14271. Would 80 per cent. be placing too high an estimate on the proportion of leather that could be manufactured in the Colony in regard to boot manufacture ? With the protection you suggest, do you think you could manufacture 80 per cent. of your requirements in the country ?—I certainly think so, as far as we ourselves are concerned.

14272. And, speaking as a boot manufacturer, you wish no exceptions made in regard to any leathers not manufactured here ?—No.

14273. You think the quantity is so small that they can very well be classed together ?—Yes ; we do not mind that at all.

14274. *Mr. Pyott.*] Is the welted boot a special class of boot altogether ?—It is a distinct class of manufacture—quite different from the rivetted or machine-sewn boot.

14275. What is really the difference between the welted boots and the boots we have here ?—The welted boot has the upper stitched on to an insole, with a welt stitched on to the insole and the out-sole stitched on to the welt. There are no machines in this country which could make a welted boot unless they laid themselves out for it specially.

14276. You think this 25 per cent. you ask for now will encourage the putting down of that plant ?—I should think so.

14277. Would you be inclined to go in for it yourself ?—We should not.

14278. Do not you purpose going in for the higher class of boot ?—Yes, but if we went in for that we should dispense with the machine class work. My idea of manufacturing in this country is by a high protection to centralise the particular classes of manufacture, the same as at Home. I defy any manufacturer in Europe to produce the variety of work we do.

14279. You mean one shop ?—Yes—the variety and the quantity—and it is for that reason that we find a difficulty in competing ; we have to produce so many varieties.

14280. Could you tell us the proportion of the welted boot in the importations of this country ?—I could not say.

14281. You now think 25 per cent. on boots and leather is quite sufficient ?—Yes.

14282. Are you leaving any margin to the boot manufacturer who is not a tanner ? That is a thing which strikes me. The difficulty to-day with the purely boot manufacturer is that he maintains he cannot get the leather in this country. You give him no protection for the man making his boots at home ?—He would buy his leather from the Colonial tanner.

14283. Will he get it ?—Certainly.

14284. He is not getting it to-day ?—No.

14285. And do you think there is no reason for a differentiation of 5 per cent. between leather and boots ?—I think there is no reason for it at all.

14286. Provided he uses purely Colonial leather ?—Yes.

14287. If he uses imported leather he will require the differentiation ?—Yes, but I maintain there is no necessity to use imported leather.

14288. If you get this protection on tanning you will be able to produce all the leathers that are required ?—I think so.

14289. You said a certain class of leather had not been produced up to the present moment ?—Glacé kid.

14290. You do not produce that to-day ?—We do produce it in small quantities, but one would not do it for manufacturing purposes, because we can import cheaper than we can manufacture. We only make it when we run short in our importations.

14291. We have it in evidence, Mr. Sanderson, that Colonial leather is not suitable for making harness. You are a tanner and a saddler, I understand ?—*Mr. Sanderson.*] Yes.

14292. Will you tell us if that information is correct ?—No, it is not correct. We use nothing but Colonial leather in our harness factory.

14293. You have no difficulty in getting the public to take it ?—No. They prefer the Colonial leather harness to the imported.

14294. Do you use any imported leather in your harness ?—Not for the last four or five years.

14295. So that is not correct ?—No.

14296. Do you maintain that your leather is equally as strong as the imported leather ?—Yes.

14297. It was said the leather was not so reliable as English leather ?—We find no difficulty. We have never had any complaints about it.

14298. You say there is 95 per cent. of your raw material produced in this country ?—Yes.

14299. Do you use the bark of this country ?—Yes.

14300. You do not use tanning extract ?—Yes, to a very small extent. That comes in at the 5 per cent.

14301. What are the difficulties you find in connection with harness at the present moment ? I think you pointed out there was a very small demand for it at present ?—On account of the country being overstocked with war stuff.

14302. That was sold some three years ago ?—Yes.

14303. You are still suffering from that ?—Yes. Eventually it will pass away and the harness makers will benefit.

14304. You do not propose any increase on the present 25 per cent. ?—No ; it should remain the same.

14305. We have also had it that saddles should be exempt from the 25 per cent. Are you in a position to make all classes of saddles in this country ?—Yes. We manufactured them before the war.

14306. Can you manufacture them at 25 per cent. to compete against the cheapest imported saddles ?—Not the very cheapest.

14307. Your saddles can easily be made here to compete ?—Yes. We manufacture all our saddles now.

14308. Even at the 15 per cent. ?—Yes.

14309. Why do you propose 25 per cent. ?—It costs me as much to manufacture as it does the merchants to import, and therefore I cannot get into the larger trade ; I can only get to the retail.

14310. You cannot manufacture at a price to give a margin to the merchant ? —That is so. I can only retail the article ; we cannot manufacture to sell wholesale.

14311. You mention a lot of things like fetlock-boots, kneecaps, headstalls, nosebags, etc. Those are leather goods ?—Yes, only some fetlock-boots are made out of rubber, which is why I mention leather fetlock-boots.

14312. You can manufacture them ?—Yes.

14313. One manufacturer said leggings could not be made in the country ?— We are making them successfully at the present time to compete.

14334. I believe, Mr. Coaton, you have a branch place in Kimberley ?—*Mr. Coaton.*] Yes.

14315. What is the difficulty you find in getting your boots to the public ? Have you any difficulty in getting the merchant to take up your goods ?—We have. The merchant cannot take up our goods because he can import an article of similar appearance at a lower rate.

14316. You can cater for the retail trade, but have not a margin to cater for the wholesale trade ?—Yes.

14317. That is why you ask for the extra 10 per cent. ?—Yes.

14318. *Mr. Harlow.*] I believe, Mr. Sanderson, you have extended your tannery lately ?—*Mr. Sanderson.*] Yes.

14319. How much leather could you turn out if you ran at full strength ; what number of hides could you deal with per month ?—Our present capability is about 3,000 hides per month. I could not very well say for skins. We do three times that quantity of skins working at full strength.

14320. There is a complaint amongst the smaller boot-makers that the tanners who are boot-makers work at a better advantage to them, and will not supply the leather ?—I have not been asked by a boot-maker to supply the leather ; at least, I was asked a little while ago to supply a ton, but the order was given to my traveller in Port Elizabeth on a Monday and he wanted it shipped the same day, and we only shipped a portion. That is about the only time we have been asked.

14321. If the local shoemaker says he has approached the local tanners for leather, he is not speaking the truth ?—As far as I am concerned.

14322. You have said that your present duty in saddlery is sufficient ?—I am quite satisfied.

14323. With reference to indiarubber goods, are those goods manufactured here at all ?—Not that I know of.

14324. You do not know there is an indiarubber factory here ?—Not that I am aware of.

14325. Do you tan pigskin ?—When we get them. There is a great difficulty in getting them. Very few people skin the pigs out here. We would take all we could get. There are very few of them, and they are very bad.

14326. You say, Mr. Coaton, in reference to the retail and wholesale, that you will open a retail store in Cape Town ?—*Mr. Coaton.*] That is our intention.

14327. If you get this proposed further duty on the imported boot will not that increase the cost to the consumer ?—No.

14328. You have just said you cannot supply the merchant on account of his getting his stock cheaper, so if he is obliged to buy your stuff it will naturally increase the cost to the consumer ?—It depends on the profit the merchant wishes to make. We are talking now in connection with our retail branches—between ourselves and our retail branches and between ourselves and the retailers. We are not considering the merchant at present.

14329. Do you think there is any prejudice against the Colonial-made article ? —I decidedly think so.

14330. And if you got this further protection you think you could supply the whole of the requirements of the Colony, with the exception of the very high-class boots—the welted boots ?—Yes. We could not supply the whole of the requirements in the Colony.

14331. I do not mean your particular factory, but the whole of the shoemakers? —I certainly think so.

14332. Do you mind telling the Commission how many hands you employ in your boot factory ?—150.

14333. What percentage of those are white ?—In the tannery one-third of the workmen are white and two-thirds coloured.

14334. Do you find any trouble in getting competent workmen ?—Not at all.

14335. Have you brought up any apprentices to the boot trade or the tannery ? —We have brought them up, but they have never been indentured. We have journeymen now of our own training, but they have never been indentured.

14336. Do you think you will still get a full supply of apprentices to meet your demands ?—Not indentured.

14337. But learners ?—Certainly.

14338. Is there any reason why they should not be indentured to learn the trade properly ?—They certainly will not bind themselves to a term—I do not know why—because, as a rule, when a man has half learnt his trade he goes to another shop as an improver.

14339. That is a detriment to you as a manufacturer ?—It is in a way, but if there are a good number of factories in the country we do not mind much. It gives a youth different ideas if he makes a change. It makes no difference to us.

14340. Are the prices on the boots you have produced the wholesale prices ?—Yes.

14341. You ask for a further 10 per cent. on the *ad valorem* rate ?—On the present 15 per cent. rate.

14342. In reference to the minimum rates on the cheaper class of boots—3d. on children's, 6d. on women's and 9d. on men's—do you not thing that is an injustice to the poorer paid classes ?—I do not think so. The class of man buying that boot is the native, and the native in this country, as we all know, has to spend his money by Saturday night, and if he has to pay 3d. more for the class of boots he wears it does not hurt him.

14343. I refer more to the poorer-paid class in town. Take the felt slipper, which you do not make here ?—I admit that is an injustice. I think that was decidedly wrong. It should be on leather slippers.

14344. They should be specified as leather goods ?—Yes.

14345. So you would have no objection to a slight alteration in that ?—Not at all.

14346. In fact it would be more beneficial to the general public, as you could not produce the article ?—It would not affect us in any way.

14347. I see this catalogue of yours is printed locally. Do you have much printing ?—Yes, we have a lot of printing done.

14348. Is that done in South Africa ?—All in Cape Town.

14349. Do the prices compare favourably with oversea ?—We have never tried to get prices from Home ; we are sufficiently patriotic to support the industries here.

14350. You have no objection to the present printers' rate ?—Not at all.

14351. It would not affect you if it were raised ?—Not if you raise ours in the same proportion.

14352. *Dr. Viljoen.*] What kind of bark do you use ?—Colonial—Wagenboom, Kliphout, Sugarbosch, Wattle.

14353. Which do you use most of ?—Wagenboom.

14354. Can you get sufficient ?—It depends on the labour market. If labour is plentiful then Wagenboom is plentiful.

14355. Is not the wattle a superior bark ?—Not for all purposes.

14356. What do you buy the bark for ?—We buy it unchopped at from £5 10s. to £6 a ton at the plantations.

14357. Do you use the Pycnantha ?—Yes. We grow it ourselves. It is the finest bark of the wattle tribe.

14358. Is that on account of the large quantity of tanning it contains ?—It has a higher percentage of tanning, and for sole leather it is a harder tannage.

14359. You prefer it to the Molissima ?—Yes. It is better for sole leather, but not upper leather.

14360. Has the price of bark gone down during latter years since the introduction of the wattle barks ?—No. I find ten or fifteen years ago we bought Colonial barks at the same rate as to-day. They went up during the war, when labour was scarce.

14361. Do you import much bark ?—None, except extracts.

14362. That is a very small proportion ?—Yes. We have to have that for certain classes of leather.

14363. You do not get the bark from Natal ?—No. We are tying to get the extract from Natal.

14364. You get quite sufficient in the Cape Colony ?—Quite sufficient for our own use.

14365. The railway rate for carrying the leather is higher than the ordinary manufactured article ?—Yes.

14366. It does not come under the preference ?—It has a preference over the imported article of 20 per cent.

14367. But it is carried at a higher rate ?—Higher than other Colonial manufactures.

14368. Are you perfectly satisfied ?—The railway have to meet expenditure some way, and we think we should contribute.

14369. You say you are not opposed to the abolition of the preference on the railways ?—Provided we get sufficient protection at the port.

14370. Which would be embodied in the 25 per cent. ?—Yes.

14371. You are only speaking of your industry, and are not speaking as to whether there should be differentiation in regard to other products of the land ?—No—only our own business.

14372. One of the reasons is, I suppose; that you are paying a very high rate at present ?—If we had a third-class rate on leather at present we should press for differential railway rates, but at the present high rate our goods are being carried at it does not affect us much.

14373. You are influenced in your decision by the present high railway rate ?—Yes.

14374. If you had come in at the lower rate you would have advocated the continuation of the preference on the railways ?—Yes, naturally.

14375. You touch upon the subject of seal oil. Do you buy much ?—Only whale oil.

14376. Do you use seal oil, Mr. Sanderson ?—*Mr. Sanderson.*] Yes, we use it.

14377. As a substitute for oils generally ?—Yes.

14378. Of course there is a very large quantity here ?—We use a fair quantity. We get sufficient from the Government.

14379. Was there not a difficulty expressed on the former Commission that they did not know how to get rid of the seal oil ?—Yes, but we never knew about it at the time. The Government applied to us to know if we could use it. We have been buying it ever since the Commission sat. We bought a little before locally, but never knew where it came from.

14380. That is one of the articles which are afterwards going to take the place of the 5 per cent., which is still imported ?—Yes.

14381. You say the Colonial leather compares very favourably with the imported ?—Yes.

14382. If an accusation is brought against the Colonial leather that it cracks round the rings and buckles of harness, is it correct ?—The best of English leather will crack.

14383. Will the Colonial crack more than the imported ?—No. It is prejudice against the Colonial leather in saying that. I have some samples of leather here.

14384. That applies also to the statement that ordinary saddles at £5, £6, or £7 10s. cannot be made in this country ? That is a statement not based on fact ?—We can compete with the higher duty.

14385. I see you mention here that the importation of leather and leather goods during the first ten months of this year was £141, 354, and the exportation of hides, goat and sheep skins £669,953, so that we are actually exporting more hides than we are importing leather ?—Yes.

14386. Generally, you can tan all the requirements of the Cape Colony, because you have any amount of skins here ?—Yes. We have more skins and hides than we can work in this country.

14387. You will be able to export ?—We shall be able to export with the duty on.

14388. And if you are once started on your legs with a protection for ten years or so, you will be so well established that you will be able to hold your own ?—Without any further protection ? I think we shall be able to hold our own, but if you take it off we cannot hold on.

14389. You want the next Union to be for a term of years ?—It is no use if it is not for a fixed term. It takes time to build a tannery. Two or three years is no use ; a tannery wants at least ten years.

14390. *Mr. Kayser.*] Did I understand that you had not used imported leather for the past five years ?—Outside of patent leathers and calf-skins.

14391. You find you have been able to conduct your business by leather tanned by yourself ?—Yes.

14392. So you have been in a position to compete with the imported article for the last five years ?—Yes, to supply our own consumption, but not to compete for sale.

14393. You cannot give me the information as to the differences in the selling prices of the different articles, as you have not imported ?—We know the prices, as we have had circulars sent us.

14394. Do you cater for the market in sole leather ?—Yes.

14395. Do you send round and ask for orders ?—Yes, we have travellers out. I believe my travellers have called upon the shoemakers.

14396. It has been said to us that the manufacturer does not trouble to get the business. I was rather surprised to hear you say no one had called upon you, because, being a man of business, one would have thought in these days of competition we cannot wait for business to come but have to go and find it ?—I take it our travellers have called upon them, because they call on every merchant and store.

14397. Then you do cater for this trade ?—Yes.

14398. And have not been able to make any sales ?—We cannot make any sales.

14399. You say you are quite satisfied with the present tariff ?—No ; we are asking for 25 per cent.

14400. I do not think you intended it, but you said that ?—I meant 25 per cent.

14401. You are not satisfied with the present tariff on harness, because you have applied for more articles to be included ?—It is no more trouble to make those things than the harness.

14402. Why cannot you compete on these articles ?—The duty is not sufficiently high. On those articles we specify the duty is only 15 per cent.

14403. How do you reconcile that fact with the statement that the price will not be increased if the duty is increased ?—If the duty is increased we can compete. We can compete to-day in the harness.

14404. But these other articles you ask to be included ?—We cannot compete on the present duty.

14405. So you cannot make them for the price they are sold at to-day ?—No.

14406. If you get a higher duty you will get your price ?—With the 25 per cent. we will be able to compete.

14407. You will get your price ?—We will be able to sell to the merchants.

14408. The object of the duty is for you to get a higher price ?—We do not get a higher price. We have a higher output. We can compete to retail, but not to get the larger market.

14409. What do you mean by being unable to compete?—We can sell retail, but we cannot compete with the wholesale.

14410. Naturally the wholesale man would have to pay more money if the duty was increased?—Yes.

14411. And therefore his price would be bound to be increased?—I do not know whether his price would be increased. They get a larger profit on the imported stuff than on the Colonial.

14412. Supposing he got the same profit his price would be increased?—I suppose so on those particular articles.

14413. Naturally, any duty must affect the price to the consumer?—On those particular articles, but I do not say on leather. There is very little trade in those articles I have enumerated. I do not suppose a gross are used in this country in twelve months. By increasing the duty on leather you will not increase the price to the consumer.

14414. Will not the man importing leather to-day have to pay a little more for it?—I consider not; not more than he pays now.

14415. Supposing he pays 1s. 3d. a pound for Australian leather, and your price to-day is what?—1s. 3d. or a shade higher.

14416. If your price is the same you do not want more protection?—Is it paying us to do it? We are not making anything out of it.

14417. Therefore you want more duty to increase your price?—No. We want to stop the other man from importing and increase our output.

14418. You say you are selling leather to-day at 1s. 3d., but it does not pay?—I do not say we are losing, but we are not making a reasonable profit.

14419. If the duty is increased by 5 per cent., you want that increase to get a better price for the leather?—No. We want it to get a larger output, which means less work and expenditure on the staff, which means more profit.

14420. A merchant will have to stop importing and take your Colonial article?—Yes. Harness has not gone up since the duty was raised.

14421. The Colonial has not, but the imported has?—Yes.

14422. The Colonial article has now been able to come into use because the imported article has become dearer?—Undoubtedly.

14423. And therefore the man using the Colonial harness is paying more for his set of harness. Of course, he may get a better article. If he before paid £10, he now pays 10 guineas?—Yes, but there is no need to buy the imported harness.

14424. You say, Mr. Coaton, that the 2 per cent. on the railage would be no advantage to you whatever?—*Mr. Coaton.*] We will take Kimberley. The difference is 20 per cent. The railage to Kimberley is 8s. 2½d. per hundred pounds on Colonial and 10s. 2½d. on imported, which is 2s. or ½d. a pair. It is so little it does not affect us, and is not worth worrying about.

14425. If the rate were increased by 2s. it would not be worth worying about?—No.

14426. You also have the same difficulty which a good many people have put before us—that you cannot compete for the wholesale trade?—That is so.

14427. Do you mean the merchants will not take your goods?—We cannot quote a low enough rate for the merchant to take up our goods.

14428. You have given a wholesale price list. I suppose you allow certain discounts?—Our terms to the merchants is less two fives.

14429. You do not get business at that rate?—No.

14430. You are a large supplier of boots?—Yes.

14431. You must have gone into the matter seriously with heads of departments here, and you must know what the difference is between you?—No, I have not.

14432. Have you not seen if you can meet them by dropping more?—We cannot drop more than two fives, and they say that is not sufficiently low.

14433. You have not found the exact amount of the difference between you?—No.

14434. You say you cannot sell to the wholesale, and yet you give a wholesale price list here which shows you do a good business now?—We get in direct contact with the storekeeper and not the merchant.

14435. You sell to the retailer?—Yes.

14436. Who does the merchant sell to ?—He sells to the retailer also.

14437. Is not that the whole solution of the question ? Can you reasonably expect to sell to the merchant and his customer as well ? I am not pleading for the merchant; I am putting a plain business question ?—It depends what profit the merchant expects to make.

14438. The point is if you sell to the retailer, who is the merchant's customer, has the merchant any inducement to stock your goods ? Who is he to sell them to if you have already sold to the retailer ?—I might instance one merchant in Cape Town who is carrying our goods, and who sells our goods to the retailer at a higher price than ours.

14439. That is easily explained. Probably the retailer is using the merchant's capital ?—That is what the merchant wants to do with us. He will not take our goods unless we quote for sixty or ninety days.

14440. Is not that what you want to do with the merchant ?—We do not want to use his capital.

14441. One witness told us the position very clearly. I forget his trade. He told us plainly that he had begun business by selling to the retailer, and had lost some big amount. I said, "How did you lose it ?" He said, "In bad debts." Then he said the merchants were taking up his goods and it was paying him, although at a lower rate. I said, "Why ?" He said, "I am saved the expense of my traveller and the bad debts" ?—The extra 5 per cent. in our quotation would cover the risk of bad debts.

14442. The point is you sell to the retailer and the wholesaler will not buy from you ?—Yes.

14443. It is not reasonable to say the wholesaler will not buy from you ?—At Home the merchant does not stock boots.

14444. Should you not eliminate the merchants ?—Yes.

14445. Why do you want protection to sell to the merchant ?—We do not.

14446. You ask for that. You say the reason for asking the extra 10 per cent. is to secure the wholesale trade from the merchant ?—If I have said that it is wrong. I do not want to secure the trade from the merchant ; I want the goods kept out of this country to give a wider market for our output. We want to secure the trade and not the advanced price.

14447. You have said the merchant will not buy from you ?—The retailer will.

14448. Then do the business with the retailer ?—We are doing.

14449. Then why ask us to protect you to do the business with the merchant ? I feel very strongly that any firm who gets up an excellent exhibit like this wholesale catalogue does not want a middleman to sell his goods ; you can sell them yourself ?—The point is the retailer at present is buying our goods from the merchant and paying a higher price than he can buy at from us.

14450. Why is he paying a higher price ?—I can only put it down that the majority of the retail houses are tied to the merchants by using their capital and must buy from them.

14451. With regard to the minimum duty, you said that it was the coloured labourer who would be affected by the 9d. ?—Principally.

14452. What class boot does the coloured man buy ?—Take the veld shoe, which is being sold round the Griqualand West district at 5s. No one buys it but the Kafir.

14453. What would that cost in England ?—Taking the general basis of the retailer, I should say 2s. 6d. in England. He puts on 100 per cent.

14454. What price boot does the labouring man use ? You said this did not affect the labouring man ?—I do not think the labouring man buys a boot under about 8s. 6d.

14455. Which would cost in England ?—About 4s. 6d.

14456. Which also would come under the minimum ?—Yes.

14457. That is my point. The labouring man does have to pay this price. Any boot up to 5s. Home cost is affected, because the minimum duty is 9d. ?—Yes.

14458. Any boot costing less than 5s. must pay 9d. Would you be prepared to have this minimum duty on boots taken off ?—If you want to cripple the veldschoen trade I should say do it. It does not affect our trade, because we confine ourselves to better-class boots.

14459. That is very important. Tell us exactly what duty is wanted to protect the veldschoen trade ?—I do not think the veldscheon manufacturers can possibly do with less than 9d. as a minimum.

14460. Can the veldschoen, as a matter of fact, be made in England ?—Yes, and Germany.

14461. To the same satisfaction ?—In appearance.

14462. We have had evidence that it does not matter as regards the veldschoen industry. You say it does not affect your trade, but it will be a serious blow to the veldschoen trade, and other people tell us that as far as the veldschoens are concerned that minimum duty does not matter, because we can make the veldschoen to compete with England. The evidence is so put, and it is very difficult for a man not understanding anything about boots. At all events, in your opinion it is absolutely necessary that the veldschoen trade should be protected ?—Yes.

14463. And you think the 9d. only affects the veldschoen trade ?—And the leather slipper.

14464. Supposing the 9d. applied only to veldschoens, would you then be satisfied ?—No. It would affect certain classes of our cheap lines, such as slippers, and also the commoner class of boot.

14465. Why did you not say to begin with that it does apply to all boots ?—At present it does. If we get 25 per cent. it would make no difference to us.

14466. If you get the 25 per cent. you bring the 3s. article within the present minimum of 9d. ?—Yes.

14467. So there is no need for the minimum duty of 9d. with the 25 per cent. ?—No.

14468. On the supposition that the duty remains at 15 per cent. you would not be satisfied if the minimum duty applied only to veldschoens ?—Certainly not.

14469. *Mr. Tod.*] You are aware that these minimum rates apply to rubber and canvas shoes, that are not manufactured in this Colony ?—Yes.

14470. Do you not think an exception should be made ?—I do.

14471. How would you define the exception ?—All such goods which are not of leather manufacture.

14472. Even partly leather manufacture ; you would let them off that way ?—No.

14473. The duty would only apply to boots in which leather entered into the composition ?—Yes. I should say the major portion of it.

14474. *Mr. Kayser.*] Take a leather tennis shoe with a rubber sole ; should it apply to that ?—Yes, because chrome soles and alum soles are rapidly taking the place of leather tennis shoes in this country, and since the last duty there has been a great increase of shoes with alum soles.

14475. *Mr. Tod.*] It would be sufficient if you made the duty apply to any shoe soled with leather, because you would not get a leather upper with a canvas shoe ?—You would get a canvas upper with a rubber sole.

14476. You would say any shoe made wholly or in part of leather ?—Yes.

14477. Do you agree with the previous witness, Mr. Sanderson, that no exception should be made in the duties on leather ?—*Mr. Sanderson.*] Yes—patent leathers and what comes on the free list at present.

14478. Now, in regard to leather for upholstering, should that come in free ?—No. It can be done in this country. We have goat and sheep skins.

14479. If you were told that the Colonial manufacture was not suitable, you would deny that ?—Yes.

14480. I think one furniture manufacturer we had told us that in the case of dyed skins the colour was not sufficiently regular ?—We are not dyeing any skins in this country. That is a special part of the business. The leathers produced are stained with a brush. We should have to have a special man for dyeing, and the present quantity does not justify it.

14481. With a protective duty do you think that class of goods would be made in this country ?—Yes.

14482. And there would be no difficulty in getting a man to do the dyeing ?—Certainly not.

14483. It is a very small part of the whole manufacture ?—Yes, but it is the finishing of it.

14484. This sample of bronze goat is suitable for upholstering ?—Yes.

14485. *Dr. Viljoen.*] Have you made much of this ?—Not in any great quantity.

14486. *Mr. Tod.*] Seeing the proportion of leather which would still have to be imported is very small, do you think it is advisable to make any distinction ?—Certainly not. It does not amount to much. There is very little patent leather used. Glazed leather can be done out here. Pigskin is one thing, and that does not amount to much.

14487. You would be inclined to make the 25 per cent. apply to all leathers ?—Yes.

14488. *Mr. Harlow.*] We have had it said before the Commission that leather for upholstering practically could not be manufactured here ?—I believe the complaint is on the staining. No leather here is dyed. They complain that the colour is not uniform. The man putting it on has not sufficient work to keep him going. The leather is all right. The man only does a little staining, and his colouring is not perfect. If we did more work we would put a dyer on and dye it, but it does not pay at present.

14489. If a tariff were put on the imported leather you would have sufficient work to do it properly ?—Yes.

14490. You are a tanner, Mr. Woodhead ?—*Mr. Woodhead.*] Yes.

14491. And also a veldschoen maker ?—Yes.

14492. Do you do any high-class boot-making ?—No.

14493. You confine yourself to veldschoens ?—Yes.

14494. Have you a good market ?—Fairly good ; not as good as it should be.

14495. If you got a better market I suppose you could turn more out ?—Naturally. If we had a larger output we could naturally make our goods lower, as the larger output would enable us to use machinery constantly, which we cannot do now.

14496. Are you satisfied with the present tariff on veldschoens ?—No, I am not.

14497. What would you suggest ?—I certainly agree with Mr. Coaton's suggestion.

14498. You practically bear out the statements of the other two witnesses ?—I agree with Mr. Coaton's idea of a 25% duty.

14499. Is the bark that is being supplied by the Government satisfactory ?—*Mr. Sanderson.*] The bark is satisfactory.

14500. Do you get a sufficient quantity ?—No, we cannot ; we have not sufficient of it.

14501. You could take a great deal more if you could get it ?—Yes.

14502. Is there any difference in the supply of the Natal bark and the Cape Government bark ?—You can get a more regular supply of Natal bark ; you can get a regular supply all the year.

14503. It is cut and put in bags there ?—Yes. It is made more of a commercial article. The Cape Government sell the bark in three-foot strips, whilst the Natal bark is quite small. You can handle the Natal bark like mealies, whereas with the Cape Government bark in long strips you require a lot of storage room and there is a big percentage of waste. I would pay 30s. or £2 more for Natal bark than from the Cape Government. We paid £6 10s. last time to the Cape Government for strips and paid £8 and £8 5s. for Natal bark. It pays better. In the tannage it is about the same.

14504. *Mr. Tod.*] Mr. Woodhead, there is this point about making exceptions in the duty applied to certain classes of leather ?—*Mr. Woodhead.*] I certainly think the fancy leathers for cart trimming, furniture leathers, hog-skin, etc., should come in at a low *ad valorem* duty—I should say 10 per cent. or free. Those at present free I should say should come in free. I do not see any prospect of establishing a big enough trade in the Colony at present to justify the Government putting on a duty.

14505. For furniture purposes, say ?—For furniture and cart trimmings.

14506. You heard Mr. Sanderson's evidence ?—No ; I was not here then.

14507. He maintained he is making these things here ?—I maintain it can be done. They have built up an enormous trade in Australia, but they have a larger population and larger consumption, naturally. I do not think at present the whole consumption of the Cape Colony—unless they get the railway work right through South Africa—is sufficient to keep even a small factory going. When the time comes when we can do it it will be time to tackle the question. I am not in favour of a heavy duty on things which cannot be manufactured.

14508. You know the Cape is in a better position with the magnificent goatskins to turn out a better article than Australia ?—We have the goat-skins, and that is about all.

14509. Has Australia got anything to match our goat-skins ?—Nothing.

14510. All the world over you will scarcely find a raw material equal to it ?—

I am not trying to raise any objection to anyone having the duty put on if they are prepared to manufacture the leathers, but I know the difficulties in the way.

14511. You know we have a unique raw material for this special work ?—Yes, but I daresay their raw material is obtained cheaper than here. I think it would be no use raising the tariff unless there is to be something definite about the period for which it will be raised. No one will put capital in a business like ours, which requires an enormous capital to carry it on on a large scale, unless there is some guarantee, because if the duty is raised and there is nothing definite about the period the country will be in a worse position than ever.

14512. *Mr. Kayser.*] We understand you are already established, and the question is whether you want a minimum of ten years or whether a minimum of five years will do ?—I should say five years would be the minimum. Give us something definite ; that is the idea.

14513. *Chairman.*] You understand the last Convention was for such a short time because they had not Responsible Government in the two Colonies, and it was expected they would have ?—I look at the protection policy as being a very important matter as far as finding the work for the local population in South Africa is concerned. When we have to send our sons out of the country to learn some other business because there is no likelihood of any extension in our own trade, I think it is time we inquired into the matter.

14514. You three are tanning leather and making boots, and you want increased protection. We have men making boots who say they are satisfied if the present tariff for the leathers is not increased ?—I suppose 90 per cent. of the raw material is raised in the country.

14515. The tanner has two profits and the man manufacturing only has one ? —It is a very complicated question. The tanner has to have a boot factory to utilise leather which this other man would not take from him. It is not waste stuff.

14516. *Mr. Pyott.*] That is the feeling throughout the country—that the tanners went into boot-making to use up a certain class of leather which could not be sold. Is that so ?—That is so. In buying hides you must take everything offered, and when you do that it means there are certain classes of hides for which there is no demand after they are tanned.

14517. The feeling about the country is this, that the tanners are making veldschoens and boots out of a lower class of leather than the man who is only making boots ?—That is not the case. I deny it emphatically. That is one of the things people, knowing nothing about the business, make statements about, or else it is done with a purpose.

14518. What is the class of leather you use and cannot sell ?—The same class he imports from America and Australia at a lower price than we can afford to do it at.

14519. What is the trade term for that leather ?—Sole leather.

14520. *Mr. Pyott.*] Is it a lower class leather ?—No. In leathers the price varies with the weight, the class, the quality ; there are half-a-dozen different things. If I did as I know some of our Australian and American friends do—put two pounds of weighting matter in every side of leather—I could sell at a lower price.

14521. You mean it is doctored leather ?—It is weighted.

14522. Mr. Sanderson, previous to the last Convention you had a protection on harness of 15 per cent., I believe ?—*Mr. Sanderson.*] Yes.

14523. It was raised to 25 per cent. ?—Yes.

14524. Has the price of harness increased since that Convention ?—No ; we have not increased our price.

14525. The price of the imported would have to be increased in proportion to the duty put on ?—Yes.

14526. *Mr. Kayser.*] As far as you are concerned, a minimum of five years would be essential for the duration of the Convention ?—*Mr. Woodhead.*] Yes, but longer if possible. *Mr. Coaton.*] Mine is a minimum of ten years. *Mr. Sanderson.*] And mine is ten years.

14527. *Chairman.*] Are the Commission right in understanding that the last Customs Tariff benefitted all boot manufacturers making boots up to a wholesale price of 7s. 6d. ? We have it in evidence that the veldschoens and boots made in the Colony up to a wholesale price of 7s. 6d. have been very much benefitted by the last Customs Tariff ?—*Mr. Coaton.*] That is so.

14528. All the boot-makers have benefitted by it ?—Certainly.

14529. And no further protection is needed on that class of goods ?—We do not say we do not need further protection ; we say it has assisted us.

14530. One of the difficulties is that at the last Commission the boot-makers in the Colony wanted a minimum of 2s., 1s. and 6d. They are satisfied with 9d., 6d. and 3d. ; they say the present minimum duty has benefitted them. It is very difficult when people ask for so much more than turns out to be necessary ?—We admit it has benefitted us, but we do not say sufficiently.

14531. Would the 25 per cent. do away with the minimum ? I may tell you the majority of the evidence is against that ?—*Mr. Woodhead.*] That means a 3s. boot in England would pay 9d. *Mr. Coaton.*] I am referring, of course, to our class of trade. We do not tackle the low class veldschoens.

William Charles Foster (of W .M. Cuthbert & Co., Ltd.), Boot and Shoe Importers, examined :

14532. *Mr. Tod.*] Do you represent all the boot and shoe importers ?—Yes.

14533. Your principal point is in regard to the minimum duty ?—Exactly.

14534. What arguments have you in regard to that ?—There is nothing much further than is mentioned in the petition—only how unjustly it acts against the poorer class of people ; in fact in some cases it is up to 100 per cent. I have a few of the lines here [*producing same*]. Here is a line which works out at 115 per cent. on the English cost.

14535. That is not manufactured in the Colony ?—No. Here is a canvas shoe, for which there is a great demand, which works out at 40 per cent. There are some classes of stuff 55 per cent.

14536. What alterations do you suggest in the tariff ?—We suggest they should be brought under the general *ad valorem* tariff and the minimum tariff be done away with.

14537. 12½ per cent. ?—Yes.

14538. Would not that be an injury to manufacturers, who make goods under the present tariff ?—I do not think so. I do not think this tariff has helped the Colonial manufacturer.

14539. Do you represent boot manufacturers ?—Yes.

14540. Are any of the firms you represent making boots ?—Jagger's do. There has always been a fair demand for Colonial stuff.

14541. Would it not satisfy you if canvas goods—that is shoes without any leather entering into their composition—came in at a lower rate and a 30 per cent. *ad valorem* duty instead of the minimum ?—It would not satisfy us. It means the poorer class of people paying from 50 per cent. to 75 per cent. more.

14542. It would be much better than the present conditions ?—In a sense, but there is no chance of these things being manufactured in the Colony.

14543. The leather shoes are ?—Not these, but the veldschoens and better-class stuff.

14544. Do not these affect the veldschoen trade ?—A little, but not much. The price of the veldschoen starts at 4s. to 5s., and this is stuff which is much under that. There is a very low line at 3s. 9d., but that is very poor.

14545. Do not they make goods at 2s. 9d. ?—None of the samples I have seen from any of the manufacturers.

14546. I have a leather slipper in my hand, and am sure I have seen as good an article Colonial manufactured ?—That is English. The price would be double Colonial made.

14547. The duty here works out at 33⅓ per cent., and that is not heavy for a light class article like that ?—For the class of people buying that stuff we consider it is.

14548. What is the wholesale selling price of this ?—2s. 6d. and 2s. 9d.

14549. Even with 33⅓ per cent. you do not pay much duty. The Home cost is 1s. 6d. ?—Yes.

14550. You pay 6d. a pair duty ?—Yes.

14551. Do you really think any one suffers very much in regard to that stuff ?—Yes ; the class of people who buy that stuff certainly feel it a great deal.

14552. Is it not a fact that a boot of this class is being retailed to-day at a less cost than before this protective tariff was put on ?—It may be in some instances, but as a rule they are not.

14553. I believe that is the case ?—Then they must be selling them at a loss. As far as we are concerned we are not doing it.

14554. You want these special duties taken away altogether, and shoes brought under the 12 per cent. *ad valorem* rate ?—Exactly.

14555. *Mr. Pyott.*] Do you not think it would be best to take off such things as the canvas shoes which cannot be manufactured here ?—All the things like slippers which they cannot produce here in the quantities. They may produce the leather slipper.

14556. Do you not think if we exempt those and keep the leather ones under the present tariff ?—We do not think so. We say 33⅓ per cent. is too much for that stuff.

14557. What could the leather slipper be made for here ?—About 3s. 3d.

14558. And the cost of these to you is about 2s., plus the freight ?—Exactly.

14559. So the public would have to pay a higher price ?—They would have to pay the profit on the manufacturer's price of 3s.

14560. Would not you get a much better article ?—I do not know so much about that.

14561. *Mr. Scott.*] Does your firm manufacture boots in England ?—No; we do not manufacture at all.

14562. They are large importers of boots ?—Yes.

14563. Your contention is that the rated tariff on the cheaper articles, like the rubber and canvas slippers, is too high ?—Yes. There is nothing gained by putting on a minimum charge and no purpose served.

14564. We have seen the leather slippers made in factories here, and it gives employment to a large number of men ?—They have not been going in for that slipper at all. I think they only make one line, and that is 3s. 3d. at the lowest.

14565. Is the cost of this canvas slipper 1s. 3d. ?—Yes.

14566. What is it retailed for ?—2s. 6d. and 2s. 9d.

14567. You have a very good profit ?—With the 6d. it is really 1s. 9d. plus the charges.

14568. *Mr. Kayser.*] We have had a suggestion put before us that the minimum duty should be done away with and in lieu thereof we should have a 25 per cent. duty. What is your opinion of that ?—I consider it is much too high. If it was on Colonial veldschoens and better-class stuff we would not say so much.

14569. How would you consider that would compare with the present minimum duty ? Would it be of advantage to you ? On the 1s. 6d. shoe the duty would be 4½d. instead of 6d. ?—It would be a little less on that stuff, but much more for the better-class stuff.

14570. Would that be preferable to the present conditions ?—I can scarcely answer. We consider 10 per cent. to 12 per cent. is a fair *ad valorem* rate for boots and shoes.

14571. Would you consider 20 per cent. all round too much ?—It would be preferable to the present tariff, although I would say it was too much.

14572. Would that have the effect of reducing the price of the cheaper boots ?—Undoubtedly.

14573. Would the people who buy these slippers and so on get the benefit of it ?—Certainly, by all means.

14574. Would the retailers get the benefit of it ?—The people buying the stuff would get the benefit.

14575. It would not go in the profit to the sellers ?—Certainly not.

14576. Another suggestion was to rate veldschoens specially. How would that meet the trade ?—I consider that is best. That is stuff they are producing here at the present time, and they might put a special protective tariff on that.

14577. Veldschoens and boots similar to what they are manufacturing to-day ?—Yes. That would refer to Bluchers and veldschoens.

14578. Would that have any effect of curtailing any forward movement which exists to-day in the manufacture of boots ?—I do not think so.

14579. Do you stock any Colonial-made boots ?—Not in Cape Town, but in Port Elizabeth and East London they do largely. The manufacturers supply direct to the retailers and there is no room for the merchant.

14580. Does that apply to Cape Town ?—Yes.

14581. That is your reason for not stocking them ?—Yes. There is no demand for that stuff. It is for the country trade. There is no demand for veldschoens in the towns. We have had a manufacturer show us quite a nice line of Colonial-made boots. I do not know anything about the value, but the boots in appearance were very good.

14582. Do you stock anything of that kind ?—No.

14583. What is your reason ?—They are so much dearer in the first instance, and then the better class stuff other than veldschoens at the present time want finishing in a better way and entirely unsuitable for town trade.

14584. Are they dearer than the imported article ?—Yes.

14584A. In Kimberly a man came before us and told us he had a shop in which he stocked only Colonial boots and was doing fairly well ?—I would say it would be impossible to open a shop in Cape Town for Colonial stuff alone ; there would not be the demand for it.

14585. *Dr. Viljoen.*] Would you be surprised to hear a shop is going to be opened for that purpose ?—I have heard so.

14586. You state the result of the minimum duty is that the poorer part of the community pay the heaviest duties ?—That is so.

14587. If you raised the tariff from 15 per cent. to 25 per cent. and did away with the minimum duty, would the incubus of the duty not fall on the people who are better able to pay ?—Exactly, but on some of the cheap lines it would be almost the same. On the 1s. 6d. slipper it is 33⅓ per cent.

14588. That would make a difference of 8⅓ per cent. ?—That is very small.

14589. Some of these are over 100 per cent. Would it not be to the benefit of the poorer man to take away the minimum duty and have one uniform 25 per cent. ?—It would on a few of the lines mentioned, but still it is too much at the same time and would act most severely on all cheap goods.

14590. The poor man would feel this duty less than he does at present ?—I believe that would be the case.

14591. Supposing you put 10 per cent. more on, what would be the difference on an ordinary pair of boots selling for 18s. ? I suppose that is the price of the boots most ordinary men wear ?—Two or three years ago it was 17s. 6d., but now the average price paid is 12s. 6d.

14592. What would be the difference of 10 per cent. more on that ?—Something over 1s.

14593. *Chairman.*] They might want an extra profit on the duty ?—It is an outlay, certainly. Stuff which comes just under the *ad valorem* rate would be 12 per cent. more, and the poorer man is bound to feel that too. It would make a difference of 1s. to 1s. 6d. in a pair of boots.

14594. But it would make these cheap things you have produced cheaper ? —Yes.

14595. *Mr. Harlow.*] What do you retail a man's leather slipper for ?— 3s. 9d.

14596. Will you tell us what the difference would be to the consumer provided this felt slipper were put under the *ad valorem* rate ?—It was formerly sold at 1s. 2d. and now cannot be sold under 1s. 11d., which means they pay almost 100 per cent. more. That is reckoning at the English cost and the present tariff.

14597. If these were put on an *ad valorem* rate ?—The price to the consumer would come down by half.

14598. That is on the cheap class of boot ?—Yes.

14599. Some of these goods are 25 per cent. now, and they would remain the same price on the *ad valorem* rate ?—Yes.

14600. But if you put the cheaper things on the *ad valorem* tariff it would be a benefit to the poorer consumer ?—Yes.

14601. And naturally your turnover would be more and the Customs would not suffer ?—Yes.

14602. Supposing leather is considered a legitimate Colonial industry and we increase the duty on leather, will it not be necessary to increase the duty on the boots and shoes ?—I suppose so, but it is the heavier class of leather they are making now. The Colonial manufacturers import this class of stuff.

14603. I suppose you would be in favour of taking the duty off boots and shoes altogether, so that people could have things cheaper ?—I do not object to it as a duty for revenue purposes.

14604. Is it better for the country that you should make 25 per cent. as an importer rather than have the things made here ? I agree with you as an importer that free trade is best, but is it best for the Colony ?—I could not give an opinion on that, they are not producing the stuff I have referred to in the Colony and are not likely to.

14605. Do you suffer from the parcels post at all ?—Not so much.

14606. It does not affect boots and shoes ?—Not so much.

Stephenson Boyes Leng, Leather Merchant, examined :

14607. *Chairman.*] You wish to give evidence on the leather and tanning industry ?—Yes, and one or two different parts of the leather industry. With regard to bespoke boot-makers, we have about a thousand in this Colony—the men taking your measure and making the boots. These men mostly import the boot uppers. They are made from a fine class of leather, like glacé kid and box calf and willow calf and other fine materials which the tanners here say they cannot produce. There are rather conflicting opinions on the point, but I think the majority agree that they cannot produce them. They buy the uppers ready-made because it suits them to do so. They cannot get the skins to cut them out, and it is fine work, and our boot machinists are not fitted for that class of work yet. In a pair of bespoke boots the average cost of labour would be 9s. or 10s.—what the journeyman bootmaker will get for making them. That represents from 25 per cent. to 33⅓ per cent. of the cost. In the Customs Tariff leather and everything appertaining to leather or leather manufactures are lumped together, and if you advance the tariff on leather as regards sole leather, and that sort of thing, probably these boot uppers will be advanced as well. I wish to point out the difficulty the bespoke boot-makers have, and you increase if it you increase the cost of the raw material. You will find in the up-country villages perhaps two or three apprentices working at the bench learning their trade, many of them indentured. What I want to point out is that the tariff on the boot uppers should remain as it is, or not be increased if you increase the tariff on leather ; that is one of the main things I wish to point out.

14608. *Mr. Kayser.*] Do I understand you to say the uppers are not made in this country ?—They are not. The ordinary veldschoen is, but not the uppers made of glacé kid or willow-calf or any of those.

14609. Boots ordered by people who are able to pay a higher price for them, and wish them particularly made to measure ?—Yes.

14610. Why cannot they be made in this country ?—In the first place you have not the finer qualities of leather produced in sufficient quantities.

14611. It is a particular trade ?—Yes.

14612. Particularly the better class uppers ?—Yes.

14613. It is a specialised trade in the other countries of the world ?—Yes.

14614. The cost of the labour, you say, is 8s. 6d. to 10s. ?—Referring to men's boots. A journeyman's wages for making a pair of men's boots varies according to the district from 8s. to 10s.

14615. And these boots will cost 30s. to 40s. a pair ?—Yes.

14616. As a matter of fact, if you get a boot made in the North of England by a high-class maker you pay as much as 35s. ?—Yes.

14617. You have no hesitation in saying the uppers cannot be made in the country ?—They can be if you have the machinists and the leather, but you have to import the leather.

14618. You are a practical bootmaker ?—I am not a bootmaker at all.

14619. You only recommend this in the event of its being found necessary to protect the leather industry further ?—I recommend that the tariff remain as it is on boot uppers.

14620. There is no tariff on them, but you would like them specially mentioned in the tariff and the duty not to exceed 15 per cent. as at present ?—Yes.

14621. *Mr. Tod.*] You want to be protected against the ready-made article ? —I am a leather merchant, and I import these boot uppers. I have asked a lot of my customers who are employed in this trade what they think on this question. There is no one of them proficient to give evidence for themselves, and as I saw by the announcement in the newspaper that any one could give evidence before this Commission I thought I would point this out to you.

14622. The majority of the uppers are made of box and willow calf ?—And glacé kid.

14623. You would say the majority of the evidence was against any duty on that class of leather ?—Yes, on the finer class of leather, but these things were not specified when the last tariff was framed.

14624. If you make any exception for uppers as uppers, and have a high protective duty on boots you will get the whole of the uppers required in the country imported ?—You would employ labour.

14625. We will be better off by making the uppers in the country, as we do in many cases at present. Under your suggestion the uppers would not be manufactured here ?—The bespoke bootmaker is entirely different to a boot manufacturer.

14626. I understand you thoroughly, and know you want protection against the high-class, ready-made boot. Supposing the duty on boots was 30 per cent. and on uppers 15 per cent.—half that of the finished boot—would not that satisfy you ?—It would suit this particular trade. It is the very thing I ask for. I want the boot uppers classified entirely separately, as a separate item, and not as they are classed at the present time.

14627. What difference do you want in the duty on uppers and boots ?—I am only speaking of this particular trade, and not of boots.

14628. *Mr. Pyott.*] Supposing we bring in this special leather duty free, what do you expect to bring the partly-manufactured upper in at ?—It would be liable to a duty of 15 per cent.

14629. You are quite prepared to pay that ?—Yes. We are paying that to-day.

14630. *Mr. Scott.*] What would be the value of a pair of glacé kid uppers ?—From 9s. to 11s. 6d. for best quality.

14631. About 2s. 3d. would be the extra value if they were rated at 25 per cent. ?—There would be 10 per cent. difference between now and then.

14632. Would that handicap your business ?—Yes, because these men will have to pay 10 per cent. more.

14633. I suppose you would import all your leather and uppers ?—We have a certain amount of Colonial as well.

14634. Your idea is that you should differentiate between the manufactured boots and the partly manufactured ?—Boot uppers, yes.

14635. To the extent of about 10 per cent. ?—Yes.

14636. *Mr. Kayser.*] Will you say exactly what class of uppers you would like to come in at the 15 per cent., because it would not do to allow all uppers in free ?—I would state all glacé kid and box and willow-calf uppers, or put it in two terms—all kid and calf uppers.

14637. Your evidence applies to all calf and kid uppers imported as uppers ?—Yes. There was another thing I wanted to point out, and that is the minimum duty on felt slippers and india rubber slippers. They have not been made since the protection of 6d. and 9d. a pair on women's and men's slippers was put on. There has been comparatively little attempt to make a slipper in this country, notwithstanding the big protection they have. They do not make rubber and felt slippers in this country. The effect on the labouring classes is pretty heavy, and if you want a cheap living country I think you should bear in mind that this duty should not be placed on goods which cannot be manufactured in this country.

14638. *Mr. Pyott.*] You are speaking specially of the carpet and rubber slipper ?—And felt slippers.

14639. You do not include leather ?—No.

Tailoring and the Manufacture of Wearing Apparel of all Descriptions.

Thomas William Stephens (of Stephens & Co., Tailors), examined in connection with the following statement:

In representing the tailoring industries, I wish to point out that the tailoring trade is one of the most important of Colonial industries. That it labours under severe disabilities. That it is capable of undertaking contracts for the supply of Government clothing, which are now being sent out of the Colony.

In regard to the first of these points, approximately there were one thousand tailors employed in Cape Town four years ago. At present there are about one third of that number employed. Even so, we are now as numerically strong as any other trade, which, I submit, places us in the front rank of colonial industries.

My second point is that with so great a number of the industrial classes depending upon it should be accorded protection against unfair competition from without. On the contrary, however, low priced orders and ready-made garments are admitted at the same rate of duty as the raw materials.

Most of the ready-made garments are made under the worst conditions of sweating, as also the made to measure garments. The effect of these large importations undoubtedly restrict the legitimate tailoring industries of the Colony. One of the most exhausting sources through which the tailoring trade of Cape Colony is drained is the system of the made to measure orders, which are sent out of the Colony. These articles enter under the same conditions as our raw material, which constitutes a most dangerous factor to the local tailoring industries.

Thirdly, I wish respectfully to call your attention to Government Contracts for the supplies of clothing, such as the Railway Department, General Post Office, Police, and other Government Departments, which approximately amount to the large sum of £100,000 per annum. All these supplies could be made in the Colony at a maxim additional cost of from 20 to 25 per cent. This would be the means of giving employment to some hundreds of families, and to enhance the prosperity of the Colony.

14640. *Chairman.*] You wish to give evidence on tailoring ?—Yes.

14641. What amendments to the tariff do you suggest. You ask for increased protection ?—Our great point is that at the last Convention we, unfortunately. were left out. That is, left out in this way, that we got no protection. This is a vital point with us at the present time, and it is very often brought up, and that is why I bring it forward as you have asked directly. The printers got a slight protection, I believe, through the last Commission, and also the wagon builders. We, unfortunately, were dubbed with 4½ per cent. extra. The duty upon clothes coming into the Colony was 7½ per cent, and we now pay at the rate of 15 per cent., less 3 per cent. rebate.

14642. The suits were increased in the same proportion ?—You mean the ready-made suits?

14643. Yes ?—That is so, but our contention is that the raw material should come in duty free.

14644. Is that the only amendment you ask ?—That is the most vital point, but there are other things I have embodied in the statement.

14645. You want the materials to come in free ?—Yes, woollens and trimmings.

14646. Then you think you will have sufficient protection ?—No, we do not. Under the present circumstances, as you mentioned, ready-made clothes come in at the same rate as the woollens and trimmings, but we think we have to protect the industry here, and there should be an increased duty on the ready-mades up to a certain standard ; that is to say, a suit costing 20s., that would be purchased by the working man should come in at the same rate, but above that we say increase the duty at least 25 per cent.

14647. Do you agree with what the tailors wanted in Port Elizabeth ?—I do not know what they did want.

14648. Above 20s. they wanted 60 per cent., which was reduced to 45 per cent.—I do not quite agree with that. because I do not think we would ever get it.

14649. The difficulty raised was the difference in the duty between suits costing 19s. 6d. and 20s. ?—25 per cent. duty would obviate that to a great extent, that is if we made every ready-made suit coming into the Colony.

14650. Would the tailors in the Cape Colony be able to compete in the bespoke clothing even with 25 per cent. ?—I certainly think so.

14651. The bespoke clothing is really what you want to get at ?—Yes.

14652. You do not mean the ready-made clothing ?—I mean the oversea bespoke and the better class of ready-made garments.

14653. Could you compete in any way with 25 per cent. ?—That is provided the raw material came in free. It would make a difference, and we would be able to compete.

14654. You mean to say you can make suits for 35s. or 40s., like the bulk of the bespoke clothing coming in ?—Our contention is that ready-mades should come in at a higher rate of duty in order to protect us, and then we would be able to compete.

14655. Take the biggest class of bespoke clothing. It only costs 25s. at Home. Could you make a suit to compete with that ? From the evidence we have got you could not do it ?—You must understand that the clothing we make here is of a very different nature—that it is better made than the ordinary ready-made clothes that you get from Home,—so we are able to compete in that way. Not only that, but people here would be measured for their goods.

14656. The bulk of the bespoke clothing costs not more than 25s. at Home. What benefit would an extra 10 per cent. be ?—It would not be sufficient benefit with 10 per cent.

14657. *Mr. Harlow.*] You referred to working-men's clothes. What do you classify as working-men's clothes ?—We classify them according to a price. If a suit costs 14s. 6d. or 15s. at Home we classify it as a working-man's suit, because he is unable to pay the bigger price, and gets the commoner article.

14658. Why is he unable to pay a better price ?—Because his wages are not sufficient to allow it.

14659. You mention the making up of ready-made clothes ?—Yes.

14660. You also make an assertion that most of the ready-made garments are made under the worst conditions of sweating ?—Yes.

14661. Under what condition does the working tailor work in Cape Town ?—I have seen a good deal of the sweating conditions of Home life—I might say as much as any one in the trade, because I was connected with this industry at Home many years before I came out here—and I have seen nothing out here as regards the sweating conditions of the trade approaching that life.

14662. Have you a factory ?—No.

14663. You send you work out to be done ?—They take it home, yes.

14664. Do you ever inspect any of the home workshops ?—Yes.

14665. Can you tell us what hours per week an ordinary working tailor has to work to maintain his wife and family ?—We have no regulated hours.

14666. I want to know what hours he works ?—That I could not say, because very often, as you probably know, the working tailor will take Monday and Tuesday as holidays and at the end of the week has to make it up, and he does so if he can get the work to do.

14667. As a matter of fact, the majority of the master tailors keep the work over till the end of the week, and the working tailor must get them ready by then ?—There may be a case here and there where they have been held over, but in the case of the majority I do not think they hold the goods over.

14668. Will you let us know the price a tailor gets for making ?—For an ordinary tweed jacket he is paid 14s. 6d., for a vest 5s., and trousers 5s. 6d. That is the ordinary plain trouser.

14669. That is for a good suit of clothes ?—No ; that is the average price I pay for tweed and jacket suits.

14670. That is 25s. for making a suit of clothes ?—Yes.

14671. Is it not a fact that there is in existence in Cape Town to-day a ready-made clothing establishment ?—I do not think there is. I do not think it is ready-made. They make the garments to measure at a very low price.

14672. What is known as a slop garment ?—Yes. Ready-mades are made to sizes, and are sold as sizes to the retailer, but the factory you mention makes them to measure.

14673. As a matter of fact they are competing with the better class of tailor in Cape Town ?—I do not think so.

14674. Is there any reason at all why the large tailor in Cape Town should not have his factories on the premises ?—Our difficulty rests in the fact that the shops here are made as lock-up shops—that is there are no workshops or rooms attached—with the result that we either have to find workshops away from the premises or give the work out to be made.

14675. Of course that difficulty could be got over, I take it ?—Not without reconstructing the buildings.

14676. You say some time ago you had a thousand tailors employed in Cape Town, and at present there is only about a third of that number employed. Could you tell us where the remainder have gone to ?—Some are here without work, but the greater portion have left the country. They have gone to America, Canada, Australia, New Zealand and various other countries, and some back to England.

14677. What has been the cause of that ?—Depression—no work.

14678. Has the Customs Tariff had anything to do with it ?—I do not think that the Customs Tariff has been the entire cause of it.

14679. But you think that if the tariff was raised it would have a tendency towards recalling these men ?—I do not know about recalling these people, but it would have a tendency to increase the labour here.

14680. Would it not have a tendency to raise the cost to the consumer ?—I do not think it would. If the raw material came in free of duty, as I suggest, we would be able to reduce our prices. Certainly it would interfere with the revenue of the Colony to a certain extent, but it would reduce the price to the public.

14681. In regard to Government contracts, is it not a fact that the local contractor is given 10 per cent. preference over the oversea contractor ?—No, five per cent.

14682. Can you compete at that ?—Decidedly not.

14683. Why ?—Because we pay double the wages here. We pay at least 50 per cent. more for the work. Our premises are heavy rentals. We only get 5 per cent. preference on these orders ; and the bulk of the goods, as I mention in my statement, are made under the worst conditions of sweating.

14684. That is the Government clothing ?—Yes.

14685. I should like you to verify a point you have just made. You pay 50 per cent more wages than is paid in England ?—Yes.

14686. Is it not a fact that you have a duty to pay on your raw material ?—Yes : we pay 15 per cent. with a rebate of 3 per cent. which brings it to 12 per cent.

14687. The Government, in face of that, only give you 5 per cent. preference over the outside, and the 12 per cent. is not taken into consideration ?—Yes.

14688. Even with the 5 per cent. the Government give you, you are working at a disadvantage—provided labour conditions are the same—of 7 per cent. ?—They, I understand, give us 5 per cent. preference over landed cost on Government contract work.

14689. Of course you do not think that is right ?—I do not.

14690. You think you should have more preference given you ?—Certainly.

14991. Can you tell us approximately now many more men you could employ if you had the Government contracts ?—I went into the question two or three years ago, and we estimated we could give employment to at least 500 more families in Cape Town to-day if the Government retained their contract work in the Colony. There has been a reduction of the Government staff since then, which I have allowed for in this £100,000 estimated here as the outlay.

14692. Provided the Government placed these contracts in the Cape Colony, do you think the individual securing them would be able to put up a modern factory to execute this work—say if he got the contract for ten years ?—I am quite prepared to say yes, because I went into the question about the time of the last railway contract which was given about three years ago. I had the support of some very influential gentlemen here, who were ready to put up a factory to execute that order. That alone runs to about £27,000 per annum. If that had been retained here we could have put up a factory and made everything here.

14693. With white labour ?—Yes.

14694. And also under perfect sanitary conditions ?—Yes.

14695. Whereas now it is made under the worst sweating conditions at Home ?—Yes.

14696. *Mr. Tod*]. The main point you wish to make is that the raw material comes in at the same rate of duty as the manufactured article, and there is no encouragement given for the local manufacturer ?—Yes.

14697. You may be aware that revenue requirements may prevent the material coming free. In your opinion what difference should there be between the raw and manufactured articles ?—As I said to the Chairman 25 per cent. protection ; that is there should be 25 per cent. placed on the ready-made articles and the raw material should come in free.

14698. I would like to point out to you that there is really no difference between what you asked and what they asked in Port Elizabeth, because they wanted 45 per cent for the finished article and were prepared to let the raw material stay at the 15 *ad valorem*. There is only 5 per cent. difference between your views and those of the Port Elizabeth tailors ?—The 45 per cent., I may mention, is the protective duty they have in Australia upon ready-mades, and I believe in New Zealand as well.

14699. So in the event of the duty on cloth remaining at 15 per cent., in your opinion the duty on clothing should be 40 per cent.?—Yes.

14700. *Mr. Pyott.*] You do not want to interfere with the ready-mades, do you? —Not the lower class make.

14701. You want practically to put a stop to the bespoke clothing which is being sold in the country ?—Yes.

14702. Your idea is there should be a duty of 25 per cent. on it ?—Yes.

14703. You have no desire to interfere with the ready-made articles coming out for shops ?—Not particularly, because the ready-made clothing does not interfere with us much. We would forego that if the material came in free of duty, and something was done in regard to orders going Home.

14704. Can you suggest any means by which the Government can deal with those two classes of clothing coming out from England ?—Of course the only way is to place the duty on them.

14705. The difficulty is to differentiate between the bespoke clothing and the ready-made article—the stock lines. I take it you do not want to interfere with the poor man's clothing ?—No, but the higher-class ready-made, which comes in as made to measure, is the article we want to get at.

14706. Cannot you make any suggestion ?—That a duty of 25 per cent. should be placed on these articles.

14707. How will the Customs know which are ready-made articles ?—There will have to be a declaration made on the other side and here.

14708. There is a suggestion that there will be some tape mark on them as to what they are ?—Yes.

14709. You say the 5 per cent. is not sufficient, even although you get your raw material free, to deal with the Government contract clothing?—It is impossible to do it.

14710. Would 10 per cent. cover you?—No.

14711. If this clothing were made in the country, would it be made at the tailors or in factories?—In factories.

14712. Are we capable of dealing with it in this country?—Not under present circumstances, but, as I pointed out, there are ways and means of establishing factories here whereby we can cope with the work if the Government consent to have it manufactured here.

14713. You would suggest a ten years' contract?—The present arrangement is five years.

14714. Three years, I understand?—Some is five and some three, I think.

14715. You say the cost of making an ordinary suit would be 25s. That is what you pay. What would be the value of this suit?—It depends very much on the price of the material.

14716. The cost is the same to make up different classes of material?—The cost is the same in making up all tweed suits.

14717. You pay a different price for a different class of suit?—Yes.

14718. An evening suit, or something fancy?—Yes.

14719. But 25s. is the average?—Yes. My object is not to point out that we are not getting sufficient profit, but to point out that we could considerably increase the value of trade by a protective duty.

14720. You want to retain your own market to yourselves?—Yes.

Richard Stuttaford (*of Stuttaford, Ltd.*), examined.

14721. *Chairman.*] You wish to give evidence on the Customs tariff on clothing?—I also mention in my statement all soft goods and furniture.

14722. You have not sent a statement in?—I thought you only wanted a statement on the subjects we should discuss.

14723. Will you state now what you want?—I suggest there should be a a differentiation between the duty leviable on piece goods, and I suggest there should be a duty of 25 per cent. on manufactured goods—that is apparel—and the duty on piece goods should be 5 per cent.

14724. That applies to all goods—tweeds and dress goods?—Tweeds, dress goods and every article of clothing. I would have the material at 5 per cent. and the made-up article at 25 per cent.

14725. And underclothing and everything?—I would make no difference between the two, because it would be a very difficult thing for a Customs officer to decide where one thing started and another left off. The next point I think the Commission want to know is whether after a certain period it would be possible to reduce such a duty—whether it would be possible to produce the goods here without any protection. Well, I think it would take a considerable period to organize the labour market, and it would be difficult to say, if a customs tariff were only in existence for five years, whether at the end of the five years it would be policy to absolutely reduce the tariff back to its present point; personally, I think not.

14726. You would recommend it for a longer period?—I think that there should always be a differentiation between the two, because we can make the article here, but we cannot produce the piece goods here.

14727. Have you thought of how the difference would affect the revenue?—I think in the matter of actual practice the revenue would more or less balance. At the outset I do not think the 25 per cent. duty would keep out more than 25 per cent. of the imported goods, and it would gradually go up to 50 per cent. as the labour market got more efficient here. I think the result from the revenue point of view would be more or less the same.

14728. Do you think you can compete in any of these things, with the price you have to pay for labour here?—I think with the duty of 25 per cent. on made-up goods and only 5 per cent on the piece good, we could immediately compete for, say, 25 per cent. of the business that comes into the country, and then as the labour market improved—that is, as the efficiency of the labour market improved—that proportion would increase.

14729. Take a very common article like shirts. Do you think you could get them made here?—As a matter of fact you choose one of the article which is perhaps the most difficult to make here. It may be made here, and has been.

14730. But not to compete? Not even 50 per cent. would protect you with an article of that sort?—I think that, perhaps a smaller proportion of the shirts would be produced here—if you take the linen shirts—than almost any other article of clothing.

14731. I am speaking of the common shirts which come in. You must remember that we have to consider other places besides the Cape Colony. The Transvaal and Natal import large quantities of cheap shirts which you could not possibly make with the 25 per cent. on. If there is to be an agreement between the Colonies what might do in a large town like this would, perhaps, not work in other parts of South Africa? —Of course I am not considering this question from a manufacturing point of view at all. I am not a manufacturer. I am considering it purely from the point of view of getting a bigger labour population in South Africa as a whole; and it seems to me that supposing that cheap shirts cannot be made here as long as we do not make the taxpayer pay more in duty on his clothing it does not matter whether we make him pay a little more on his collars and a little less on his suit, for instance. As long as a man has to pay, say, £10 a year in Customs duties on an average on what he consumes in the clothing way, it does not seem to me to matter whether we make him pay a little more on his shirt and a little less on his suit, but it does make a big lot of difference to the country whether a proportion of that import is then manufactured to its final state in this country.

14732. We have had a lot of evidence about bespoke clothing. We have the evidence of the tailors that they want the material free and clothing 45 per cent. What you propose would be no benefit to the tailor?—I think it would be. Of course in regard to bespoke clothing I may say I am a manufacturer of that.

14733. *Mr. Tod.*] The tailor asks for a difference of 20 per cent. between the raw material and the finished article?—I am confident a difference of 20 per cent. would put the bespoke tailoring into this country.

14734. *Chairman.*] Is there any other point?—There is one other point I want to bring out, and that is the question of the cost to the consumer. There is generally a feeling that the consumer is going to be very much taxed by having an extra duty such as I suggest. I think in practice that would be the other way. I think that locally manufactured goods would bear a less profit—the middlemen would make less profit on them. It is the experience that on locally manufactured goods there is less profit than on imported goods. There are two practical reasons, and one is that the stocks would necessarily be lower. Another reason is that the competition would be fiercer. To give an instance, I noticed in Cape Town a little while ago that they were manufacturing straw hats. Well, now the straw hats that were being manufactured here were being sold at a very much lower rate of profit to the middleman than the imported straw hats.

14735. *Mr. Tod.*] By the middleman you mean the retailer?—Yes.

14736. You do not mean the wholesale merchant?—The wholesale merchant in that case did not come in at all.

14737. In the case of the local article?—Yes. It was sold direct from the manufacturer to the retailer. As far as the wholesaler was concerned the middle profit was eliminated altogether and retailer's profit was lower than it was on the imported article.

14738. *Chairman.*] The complaint we have is that the merchants and retailers will not push the Colonial article of that kind because they cannot make so much profit?—It would be useful to have a tariff that would make them push them. I do not think it would affect the retailer. The remark has been made to me that it would not be easy to get a tariff, because the majority of our goods are imported, but I do not think in the long run it would affect the distributor—as we will call him—because he would get a bigger turnover. If he had a bigger population in this country he would get a bigger turnover and would be able to do that turnover on less cost, and therefore would make the same nett profit although his gross profit would be considerably lower. Take the line of shirts you mention, and things of that nature. To-day a distributor has to hold a very big stock, because he has to get his stock in every size assorted—that is, he has to estimate six months beforehand what he will sell in a certain size of a certain quality of shirt. If the article were made here it could be made according to the present demand for that article, and the stocks throughout the country would be enormously decreased.

14739. *Mr. Tod.*] You say the stocks would be enormously decreased, but the stocks would have to be held by some one; the raw material would have to be held in stock perhaps in the same proportion as the manufactured article to-day?—Not in the same proportion. Let us stick to the case of the shirt for example. In the piece that could be made into any size you wished, instead of holding your stock with the labour on which you are paying your duty; for instance, the article comes in with the labour addition added to it, and the country is paying the interest on the whole of that stock in the country with the labour addition added to it—which is a very big addition.

14740. In the present tariff blankets and sheets, or rugs, cotton or woollen, or manufactures of cotton and wool are specially taxed 25 per cent. That is to get a bigger contribution from the natives, who are big consumers of these articles. You do not suggest an alteration?—No. It is put on for a certain object, but it rather covers too many articles. For instance I refer to the wording regarding quilts. They have made it a very wide definition. They use the word "quilts," which covers eiderdown quilts. It was never the intention of the original framers of that tariff that it should cover such an article.

14741. Under the definition the Customs give it to-day, have eiderdown quilts to pay that duty?—Yes. The Customs people levy duty on everything which can be called a quilt.

14742. Without giving the benefit of the doubt the right way?—Yes.

14743. What is your opinion of the recommendation of the tailors that there should be a protective duty of 40 per cent., with the tariff as it is for raw material?—With the 15 per cent. tariff for raw material?

14744. Yes?—That is a difference of 25 per cent. The difference between them and myself is only a question of 5 per cent.

14745. Your strong point is to get this differentiation made between the raw article and the manufactured article?—Yes. I take it there should be a differentiation of 20 per cent. If the Government wishes to tax the people for revenue purposes on a higher scale, well the differentiation should be the same. But I take it the Government at present does not wish to raise the tax.

14746. What you mean is that whatever it is considered necessary to fix the rate for the raw material at for revenue purposes the other rate, for protective manufacturing purposes, should be 20 per cent. higher?—Yes, there should be a differentiation of 20 per cent.

14747. *Mr. Pyott.*] To me it seems rather too much differentiation between 5 per cent. and 25 per cent. on the piece goods and manufactured article. Do you not think your differentiation is too much?—I do not think so. You cannot alter the stream of manufacture quickly. The day the tariff would be brought in it would not have its full effect. I think in its initial stages it would have the effect, say, of altering the bulk of the manufactured goods coming in by 25 per cent., and as it arrived at its full effect it would go up to 50 per cent. or rather more, depending on the efficiency of your labour out here.

14748. Supposing you get this protective tariff, what class of goods do you manufacture or make up in this country?—I expect to make up all men's clothing—that is all men's suits.

14749. With the difference of 20 per cent.?—Yes. I expect to make all women's dresses and hats, and also a big bulk of men's hats—straw hats and caps.

14750. That is coming to another point. You say straw hats. Would you import the straw in the rough state or plaited?—You are asking me rather a technical question which I am not capable of answering. I am not a manufacturer. I did not say I expected to manufacture these things.

14751. Will you manufacture them from the raw state, or have them semi-manufactured on the other side; that is the point we want to know?—The whole of my theory is that you should push back the manufacture one stage at a time; for instance I should push the manufacture of straw hats back to the straw plait to begin with until we found we could manufacture straw plait in this country. If you can get technical advice to-day that you can manufacture straw plait here, I should push it back the two stages.

14752. Can you give us a suggestion what you would allow the straw in for?—Either on the 5 per cent. basis or free, but I think you should take the evidence of a technical man on that, because I do not know anything about it.

14753. You speak of making straw hats, and it has just come to our notice that to make them at the present moment the straw is plaited in another country. Why not have that done in this country? We only want to know for differentiation purposes?—The question is as to what labour you have here to do it.

14754. Can you tell us where the straw is plaited?—A certain amount is plaited in Luton and all round Bedfordshire.

14755. It is plaited in England?—It depends. A lot is plaited in Leghorn in Italy and in China and Japan. It depends on the class of straw.

14756. Coming back to bespoke clothing, at the present moment this country is being overrun by agents for the foreign firms taking orders for suits of clothes, and the tailors complain of that. Would the differentiation of 20 per cent. enable you to get that business in this country?—It would settle that business and also the parcels post business which I dare say other people have brought up.

14757. You are quite satisfied on that point?—I am. It would go up to 25 per cent., say, to begin with, and then 50 per cent. of what is now imported.

14758. You cannot overcome the difficulty all at once?—That is the point.

14759. Can you tell us what differentiation there is in the Australian, New

Zealand, Canadian tariffs ?—The Australian tariff on made-up articles is practically 45 per cent. and 40 per cent.

14760. Tell me what the duty is on piece goods ?—Cotton, linen, jute and other piece goods not elsewhere enumerated are 10 per cent. I am giving you the general tariff, not the British tariff—the gross tariff. There is a difference of approximately 30 per cent.

14761. You say the effect of your suggested tariff on the revenue would be practically to balance it ?—Yes.

14762. That is a guess ?—It cannot be anything more. It is like putting a duty on whisky and judging how much whisky it will stop coming in ; it is an utter impossibility.

14763. *Mr. Scott.*] What is meant by piece goods ? You do not mean made-up articles ?—By piece goods I mean goods in the piece.

14764. With regards to men's clothing, did I understand that it was your intention to make all men's underclothing ?—Let me explain my position. I think that a tariff of this nature would transfer to the population here the making of the majority of their clothing. I can understand certain things in underclothing and things of like nature, which would probably not be manufuctured here even with the 25 per cent., but you must have a tariff in which it is not possible for any dishonest man to climb out of it whenever he wants. It must be a tariff which is understandable by the Customs House officer—that there can be no doubt of—and if you differentiate between one or two articles of underclothing because they are not likely to be made here there will be a constant friction as to whether they must be charged the higher or the lower rate of duty ; and, therefore, I say put the whole—irrespective of the few items which cannot be manufactured here—under one tariff, simply for the sake of simplicity.

14765. You do not think it would be advisable to make out a specified list of the articles you could begin to make ?—I think it would be almost an impossibility for the Customs people to be certain which tariff that article came under.

14766. And you would mean the same to apply to ladies' clothing ?—I mean it to apply to all clothing.

14767. Have you given any consideration to what amount of labour it would employ in this country ?—I wrote a letter to the "Cape Times" a little while ago on this subject, and I will hand in a copy of it to the Commission.

14768. *Mr. Kayser.*] I would like you to explain a little more clearly what the Australian tariff is. Here is the present tariff which has just come into force. Mr. Pyott asked you what the duties were in Australia on the piece goods, and you replied 15 per cent. ?—10 per cent.

14769. Will you answer Mr. Pyott's question a little more fully ?—Piece goods, other than of wool and silk, suitable for human apparel, new rates 25 per cent. and 20 per cent. Piece goods 35 per cent. and 30 per cent. My extract was from the "Draper's Record," I do not know of what date. Apparel is 40 per cent. and 35 per cent.

14770. The only point is you made a mistake in the piece goods ?—Not on my quotation.

14771. We want the actual position to-day from the actual tariff ?—There is evidently a differentiation of 15 per cent. and 25 per cent. on piece goods, as against 40 per cent. on made up goods and 35 per cent. and 40 per cent. on woollen piece goods.

14772. A difference of anything from 5 per cent. to 15 per cent. ?—Yes.

14773. You were in error in informing Mr. Pyott that it was 20 per cent. difference. It distinctly states piece goods 25 per cent., that is other than woollen, and piece goods of wool 35 per cent. ?—This tariff in the "Draper's Record" says 10 per cent. ; I do not know where it comes from. But that does not alter my evidence of what I think should be the differentiation in this country.

14774. I want to say frankly that it is the most practical suggestion we have had on that basis, although the preference is so much larger than in Australia. I would like to ask you to explain to us in what way the revenue will be equalized on the basis you gave. You stated that to begin with you would probably manufacture 25 per cent. of the goods, and later on might work up to 50 per cent. ?—50 per cent. or more.

14775. If you were manufacturing 25 per cent. the general public would be paying an extra 10 per cent. duty on three-quarters of their goods. Until such time as you are able to manufacture at least half of the goods the general public will be paying more duty, will they not ?—Yes.

14776. So to begin with, at all events, this suggestion of yours will be a hardship until such time as you are able to manufacture the larger quantity ?—Yes, but I do not think the time you mention will be a long one.

14777. Will you tell us how long it will be ?—That is subject to many conditions. First of all will you give me a basis of time on which the tariff is going to be instituted ? You will get the thing done a great deal quicker on a tariff that is going to be in existence for seven years than if you put on a tariff for three years. It will make a great deal of difference in the rapidity with which you get the manufacture instituted here if there is some certainty that the manufacturer is going to get some benefit for his labour. Take a basis of five years. I should say in eighteen months or two years of the five years you would get pretty well to your 50 per cent.

14778. To make the matter quite clear, would you suggest a minimum of five years on the new tariff ?—I should say that is the minimum, distinctly.

14779. Any new tariff should last for at least five years ?—Yes. Let me put it in another way. I think any tariff brought forward with a view of instituting manufactures in this country which is not for five years might just as well not be brought forward ; it will not attain its object.

14780. A tariff, to be of any service to the manufacture, must of necessity be for a minimum of five years ?—Yes.

14781. On that basis you compute that in two years we will be manufacturing 50 per cent. of these goods ?—Of course I may be too optimistic or too pessimistic ; we are talking not of facts.

14782. Do you expect to manufacture all goods such as ladies' opera cloaks, ladies' ties and these things ?—Yes ; they are among the things which are most certain to be manufactured—things of a very fair price.

14783. The duty would have a very large effect on those ?—Yes.

14784. And ladies' dresses would come under the same category ?—Yes, and men's suits.

14785. This would give you a preference in the Customs of 20 per cent. What preference have you already on the freight - particularly in the elaborate goods I have been talking of - ladies' dresses and so on ?—A very slight preference.

14786. What about is the freight on soft goods in the piece ?—I would rather like to refer to statistics for that, but I think about 5 per cent. and the others about 6½ per cent.

14787. Can you give that information—the average price for ladies' goods to be manufactured, and also the freight on the manufactured goods ?—I would at once say that, as a question of preference, it is of no moment.

14788. Any way, you will give us the information ?—Yes. As far as men's clothing is concerned there is practically little difference. The piece goods and the clothing pack so closely that there cannot be much difference, but there may be in the case of ladies' coats, which are packed in cardboard boxes.

14789. Could quilts be manufactured here ?—I have not taken up that question.

14790. That would all come under this category if we adopted your suggestion of piece and manufactured goods ?—I took it that 25 per cent. was going to remain on for certain other reasons.

14791. The question is what effect it will have on the taxpayers of the Colony. These goods, under your suggestion, would come at the higher rate, and I ask whether they could be manufactured here to advantage ?—Eiderdown quilts could be*.

14792. Counter-panes, table-cloths ?—A certain quantity of table-cloths could be. If you talk of linen table-cloths, yes they could.

14793. I am not a soft goods merchant ?—There are different varieties of each of these articles which could be manufactured in this country.

14794. My reason for asking is that I find in the Australian tariff those goods are specially put in at a lower rate - 25 per cent. for table-cloths, table-covers, d'oyles, etc. - whereas the raw material comes in at a higher rate, showing that in Australia they do not think they can make them ?—That comes under my remark why I do not suggest any differentiation between the different classes of made-up goods, so that it would be a simple tariff, and the Customs authorities could decide under which class an article came in. You have the instance of the 25 per cent on blankets, which has been stretched by the Customs House authorities to cover eiderdown quilts.

14795. That is not correct ; it only covers cotton goods ?—Lots of eiderdown quilts are cotton.

14796. Those would come in ?—It is not a question of the eiderdown, but of the covering, with the Customs. If it is a quilt of cotton filled with eiderdown they charge you 25 per cent.

14797. But if it is an eiderdown quilt covered with silk they charge 15 per cent. ?—I will check those items.

14798. Your suggestion is very good, but other countries who are older in tariffs tending towards protection do not seem to follow it up. I take your reason for asking

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***If I made this answer I was incorrect.**

for the protection is that as other manufacturers of other goods who import the bulk of the raw material get protection, you should get have same?—I am not a manufacturer although I have fifty or sixty hands making various things. I do not want to be a manufacturer. What I want is to put a manufacturing population in this country, in order that I shall make money as a distributor. I want a money earning population in this country.

14799. What is a manufacturer if a gentleman employing fifty or sixty hands making goods is not? —I can understand a man is a manufacturer who employs that number of hands and nothing else, but if you employ 300 or 400, and to the public you are a distributor, and you do not manufacture the goods you can get other people to manufacture, then you hardly come under the category of a manufacturer.

14800. You consider he should be a man employing more hands?—Nearly all our hands are employed on special work. We do not manufacture stock.

14801. You manufacture ladies' dresses?—We make them. So does every distributor in the world, but he does not call himself a manufacturer.

14802. The railway preference does not affect you, does it?—No; but I am decidedly against preferential railway rates. I am talking of a matter of justice. If you are going to protect a certain industry do it through the Customs and have done with it, and do not start again when it gets inside.

14803. In your opinion the preferential railway rates should be done away with, and any protection given at the Customs?—Yes. Do it once and have done with it.

14804. *Dr. Viljoen.*] When you say you are against preferential railway rates you only speak for yourself, as a man who could not possibly benefit under those preferences. Your firm could not benefit, or do not benefit, under those preferences?—We can; we have benefited by them at various times.

14805. Do you make Colonial goods? —Supposing we make a Colonial suite of furniture out of Colonial wood, we get the preferential railway rate.

14806. Are you making furniture?—We make anything; if anyone asks us to make a suite of furniture we do it. We keep perhaps a dozen men making furniture.

14807. You could not place yourself in the same position as a furniture manufacturer, who really derives benefit under those preferences?—It seems to me to bear hardly on the up-country towns.

14808. I am talking more from the point of whether you are exactly in the position to judge, because you argue from a broad, economic point of view, and you take the standpoint of the man inland or the Northern man?—Yes.

14809. But you do not take into consideration the manufacturer?—I am not interested in the manufacture.

14810. Exactly. You are in favour of giving a differentiation of 20 per cent. on the manufacture of imported material?—Yes.

14811. Are you in favour of a protection of the manufacture of raw material from the soil—things you produce here?—In the case I mention the things cannot be produced here.

14812. We will leave that. I am asking you whether you are in favour of protecting the manufacture of the raw material here?—Yes.

14813. Would you give that a higher protection than the imported raw material? —Even on the basis of 5 per cent. on piece goods there would still be an advantage of 5 per cent.

14814. In the manufacture of soft goods all the soft goods are necessarily imported; we do not intend to make them here?—I would give them the very biggest protection.

14815. But take a thing like tanning, where 95 per cent. or 96 per cent. of the material is produced on the soil here. Would you give that bigger protection?—I would give the leather protection as against the same leather that could be imported.

14816. Would you give it higher protection?—As against the same leathers that could be imported which would be used for the same purpose, I would not say for all leather.

14817. The differentiation would be higher than in the case you mention. You have a difference of 25 per cent., and your material is imported and converted into a garment, but in this case 96 per cent. of the material is grown in the country. In a case like that would you give higher differentiation?—Not necessarily. I would only give differentiation sufficient to put the business into the country. If in your case it could be shown that 15 per cent. differentiation would throw all the production into this country I would only give 15 per cent., because I would not give differentiation which would be a premium on want of intelligence.

14818. In a case like that suppose they say 20 per cent. is enough and they want 30 per cent.; would you give it them? I am putting a hypothetical case?—That is the trouble. I should imagine you have a very big differentiation.

14819. The question is whether the imported raw material is to get the same protection as the locally produced raw material in the manufacture. Are you going to differentiate between them ?—I think it would be quite reasonable up to the differentiation I have stated.

14820. You would not make any difference whether the article was manufactured from imported raw material or locally produce raw material ?—If the article can be produced locally I would differentiate between the raw material. I would do that in a case like leather, where the article can be produced here.

14821. Of course it is almost impossible—with perhaps very few exceptions if there are any at all—to have an industry where at least some percentage of the raw material is not imported. What minimum percentage would you place upon a imported material so as to give the protection ?—The question is outside the line of business I am thinking of, and it is very difficult for me to say

14822. I am not examining you as a merchant of Cape Town, but as a large commercial man with large experience of the country. I do not know anything about your business, and am not going to examine you on that ?—You question me as to the proportion between the local and the imported material in the initial stages of the manufacture. To me it is a question very greatly of the proportion of labour compared to the material—whether it is worth while the country paying something in order to get that labour here. The question of production from the soil is a small item—the initial item but a small one—in the total wealth production of an article at the point at which it is consumed. Take a case in point. The wool in its raw state is nothing comparatively ; it is the subsequent stages of wool production which bring wealth to a country. I do not suggest that the initial production does not bring wealth—I think it does—but there are successive additions of wealth up to the point at which an article is consumed, and it is those successive additions I think we should get in this country.

14823. That is what you will not do, in this way. You take one hypothetical case where you think we will have a big woollen factory here. It has been unsuccessful in bigger populations than ours. It has been tried there and has been unsuccessful. We must take it the article from the other side is the completed article ?—Partially completed.

14824. Completed as raw material. You simply want to put the raw material together and employ a large number of hands, but what I am asking you is that we not alone produce the raw material in the country but we also put the raw material together in the country ?—That is what I hope eventually to bring about.

14825. In tanning 96 per cent. of the article is produced in the country and it is tanned in the country and converted into a boot in the country. Would you not give it more protection than the other article you mention ?—I would give it sufficient protection to enable it to be worked up in this country. I would have it protected sufficiently to be manufactured from the initial stage right to the end. I am thoroughly in sympathy with that.

14826. *Mr. Harlow.*] Will you explain what you mean by the efficiency of the labour our market ?—There are two things which will lead to efficiency. First of all, if this tariff came into force there would be a great many of the population who are capable of manufacturing but who have not had the training, and it would be necessary to have a certain importation of labour in order to teach the people here the various methods. The strength of the English and Continental makers is that they have this efficient labour population—a labour population understanding the work—which is one reason why they can produce cheaply. For generations the workers have been trained in these classes of labour in those countries, whilst our population is not trained, and it requires a certain amount of time for the men out here to teach the population to become a manufacturing population, which it is not to-day.

14827. Can you tell us what the cost per dozen is at Home to produce the cheaply made shirts ?—The labour ?

14828. Yes ?—I have no statistics ; it is very very low.

14829. Could you give us any idea ?—I would not give you figures ; that would be quite a guess. I have never had anything to do with the manufacture of these cheap things in England.

14830. Can you tell me what they cost to import ?—You are asking about something that we do not import personally.

14831. You say there is a deficiency of labour and that you could do it in this country if you had a sufficiency of labour. I want to know what they are produced at. Do they cost 2s. a dozen ?—I should think more, but, as I say, I do not know anything about them.

14832. With reference to the eiderdown quilts, 15 per cent., will not the poorer class have to pay 25 per cent.—I have made a note to make enquiries on that, because I am informed we pay 25 per cent. on eiderdown quilts.

14833. The secretary informs me that that is wrong?—May I ask what the Customs House call an eiderdown quilt made from cotton?

The Secretary.] Cotton enters into its composition.

Witness.] The point is there are a lot of things the Customs House cannot know, and they make a rule of thumb about it, and one person pays one price and one another. As far as I can see the cheapest thing for us would be to pass our quilts through as silk quilts at 15 per cent.

14834. *Mr. Tod.*] Provided they are not cotton?—Have you any one in the Customs who can say there is not cotton in the mixture of a cloth?

14835. *Mr. Harlow.*] What I want to point out is that the goods required by the lower paid working classes have to pay 25 per cent. and those required by the higher paid classes only pay 15 per cent.?—So the Customs distinctly say in that class of goods.

14836. Do you think that is right?—My position is I think it is distinctly wrong, but that the tariff is put on these blankets for a certain specific reason.

14837. In reference to the bespoke orders, you make a statement here that you would have all the imported manufactured stuff come in at 25 per cent.?—Yes.

14838. Do you not think that would be a bit of a hardship on the poorer working classes?—I do not.

14839. The ready-made article, for instance?—I think it is of more advantage for the man to have wages to buy his suit with rather than to see a cheap suit in the window and not have the money to buy it: that is the essence of the thing.

14840. You know for a fact that a great many people import suits of clothes who are well prepared to pay a good price for them, and in fact do pay more for them oversea?—Yes.

14841. Would you not make them pay more than the working man?—On his duty he does have to pay it. In the one case he will pay £1 on his suit whilst in the other case it will be 10s. He will not get any difference in that way.

14842. Do you not think a rated tariff would be preferable to the *ad valorem*?—I do not see how you would get it. You would have to have a library of different classes of articles; you would have to have an index of every article.

14843. Not necessarily?—The question of whether it should be a price per suit seems all right, but then you would have to have a price per trousers and price per waistcoat, and it would be a complicated tariff.

14844. You are a distributor?—Yes.

14845. Do you know whether there is any prejudice against the Colonial manufactured article?—There used to be, but I think it is disappearing. There is a great deal of indifference I think: the people have not been educated up to the necessity of buying the South African produced article when they can.

14846. Do you keep any employés making up the different articles such as tailoring and millinery?—Yes; as I say, I daresay we keep 50 or 60 making all classes of things.

14847. Have you a factory?—We have workrooms. I think we keep about 60 hands on various kinds of things, making them up.

14848. Do these work on your premises?—With the exception of about 10 I think they all do. The tailors do not all work on the premises; some do and some do not.

14849. Will you tell the Commission whether it is white or coloured labour?—Principally white; the bulk of it is white.

14850. What percentage have you really of coloured in this manufacturing?—That is difficult to say.

14851. I suppose it does not matter to you whether they are white or coloured; they all receive the same remuneration?—Yes. We are standing out for that: that has been rather a sore point between the tailors' body and ourselves. We have a log and pay on the log. Could I mention one or two other things. In your terms of reference something is said about bonuses on production. Well, I have never seen a bonus system which looks very workable up to the present, as far as locally consumed goods are concerned. I mean to say the bonus system is best theoretically, but seemingly it can only be applied successfully to exports. There is one other thing I wanted to say, and that is on this question of labour. The essence of the success of a tariff such as I suggest is the education of the labour, and it seems to me that there would have to be some very strong inducement to institute things like technical schools and places of that nature, which are established in other manufacturing countries. We have a big amount of labour here, but it is not intelligent. Such a tariff as I suggest would not produce the results I anticipate unless the Government directed the labour. There should almost be a Government Department of Industry. The tariff will be no use whatever if it means that the people will have to pay the duty because they cannot get the stuff made here. It will not cost the people of the country any more if the labour industry is worked here and the goods are produced, but if eventually the labour proves inefficient here by want of care, and the public have to pay the full increased duties, then it will be of no use to the country ; so that the essence of the thing is the education of labour if it is to be a success.

14852. *Dr. Viljoen.*] With reference to educating these people, do you not think it will take a considerable time to do so ?—I think a lot of the education will be very rapidly acquired for certain industries. The thing we have to teach the people of this country is that they can work at something. They do not take up any specific work now.

14853. Are you going to utilise the labour that is at present existing in the country, or are you going to introduce oversea labour again ?—I think the two things will go together. I think you would have to import a certain quantity of efficient labour to teach labour on this side. For instance, in a factory for clothing you would import, say, the heads of your departments.

14854. That I can quite comprehend, but are you not introducing a new danger into the country ? We have already a large number of unemployed here. Are not you going to increase the batch of unemployed ?—I think you would get ten labourers here for every one you imported.

14855. You are satisfied on that point ?—Yes.

14856. You follow me ? If we have to import all our labour from oversea it will be no assistance to the people at present out of employment in the country ?—I take it there are more or less 200,000 children leaving school in the Colony every year. I reckon in one year you have 100,000 of an initial labour population ready to do your work, and you will have to get the masters to teach them to work.

Mr. ———— ———— * (*Representative of the Amalgamated Society of Tailors*) examined.

14857. *Chairman.*] What do you wish to state to the Commission ?—I wish to point out that the tailoring trade, under the present conditions, is worked under a sweating system. The last Parliament has appointed a Commission to make enquiries and they find it is correct. The question is how to stop that. I think the only way is by putting an extra duty on bespoke tailoring—which means taking orders on this side and sending them across the water to be made up—and also on the best ready-made stuff. If there was an extra duty put on that it would certainly give more employment in this Colony, and it would give more work to the employers, and they would be capable of establishing factories. It would do away with the sweating, and let the Government assist by legislation. There is the question of how much should be put on. It is an article which it is not really necessary to bring into this Colony. We have the tradesman from Europe who will produce an article just as well as across the water. If we cannot get sufficient in this Colony we must modify the duty and let some come in, but as men are walking about starving while this tailoring work to the extent of nearly £2,000,000 is going out of the country, I say it can all be done here. There are contracts like Government, Railway and Municipal contracts, and the bespoke and best ready-made goods. A firm in Cape Town made up suits ready-made and sold them at £6 and £6 10s. each. Under the last tariff it only paid 7½ per cent. To stop this entirely I think 75 per cent. should be put on. It is an article which we can do without. That is for bespoke articles made across the sea. With regard to the best ready-made articles, costing about £3, these could be made here very satisfactorily, to the customer, and it would keep the work in this Colony, and I suggest that these should also be under the same duty as the measured goods from across the sea. I would like to refer to the ready-made stuff of the poor class people—such as they can buy for 25s. in a shop here. This should be left as it is.

14858. Principally for the coloured people ?—Or perhaps a poor working man who cannot afford more. That should be left alone. You all know these suits at £2 5s. and upwards. In 95 cases out of a hundred the customer does not get a measured suit. They go into the stores and take out a suit which at the ordinary price is 25s. They measure it, and if the sleeves are too long they shorten them, and so on, and they give it to the customer as a measured suit. They will only make it to order if he is out of proportion—tall and thin for instance—but that is only once out of 300. The public are being robbed, because they are charged £2 5s. for a suit they can get for 25s., and after a week it is like a rag. If a man paid £4 for a suit in this country he would have something he could wear for six months, and it would benefit all the workers of the Colony.

14859. You want 75 per cent. on ?—You may think it is high, but I wish to point out that it would not interfere with anyone except a few individuals who are making large profits by robbing the public and the workers in this Colony. Regarding raw material, I would suggest that it should come in at 7½ per cent. There is plenty of wool grown here, and cotton may be possible, and there may be factories here, and if that is all free there will be no encouragement for starting factories, which is why I suggest 7½ per cent. It would be 7½ per cent. for British manufactures and for foreign manufactures 15 per cent. In advocating preference to British manufacture I do not wish to keep anything out of the country, but the continental manufacturer gets his labour so much cheaper, and he would keep the British manufacture out of the country, and under this extra duty he would be on the same conditions.

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* Name not disclosed.

14860. *Mr. Pyott.*] Would it not be better to bring in the clothing duty free altogether ?—It would help the tailor a little possibly, but I am looking farther ahead. We have sufficient wool in this Colony and cotton is beginning to grow here.

14661. *Mr. Tod.*] You heard the previous witness to yourself stating that in his business the labour represented 33⅓ per cent. on the whole value. What is the value of the labour in your business ?—It is very hard to say, because the tailors are disorganized and they are being taken advantage of by every employer.

14862. You want to protect your labour here, and not the raw material ?—Yes.

14863. Could you give us something to go upon in regard to the value of the labour in this country ? What is the value of the labour in a suit of clothes costing £4 ?—£1 4s. 6d. out of a four guinea suit, and out of a six guinea suit it would be £1 9s.

14864. Would it not be sufficient if you had a high duty on the bespoke clothing, or do you want the duty to apply to all the ready-made clothing ?—I want to exempt the cheap ready-made, but the ready-made coming in which costs in England above 25s. should come under the same heading, because we can very well do without it. It costs in England 25s. or 27s. 6d. and they charge £3 3s. for it here ; and I think it will pay a customer better to pay £4 for a suit of clothes made in the country.

14865. What duty do you propose to bring that about ?—75 per cent., so as not to leave any loopholes open. Let the cheap ready-mades come in as at present.

14866. *Mr. Harlow.*] Up to what price would you suggest ready-made clothes coming in ?—If the importer pays 25s. for the suit it should come in the same heading.

14867. There are suits made there from 12s. 6d. upwards ?—Exactly.

14868. How far would you go with them ?—I should say about 7½ per cent. Some suits do not cost more than 8s. or 9s. on the other side. They are sold here at about 22s. 6d. or 25s.

14869. Would you allow a suit costing 15s. oversea to come in at 7½ per cent ?—Let everything up to 35s. come in at 7½ per cent.

Tobacco Industry.

Albert Holt, Managing Director of the United Tobacco Co. (South) Ltd., examined in connection with the Tobacco Industry and the Parcels Post.

14870. *Chairman.*] Will you make a statement of the points you wish to bring before the Commission ?—That there shall be a slight increase of 6d. per pound in the price of imported cigarettes from oversea, with a corresponding slight reduction of 6d. per pound in the price of leaf imported from Virginia, Turkey, Havana, Sumatra, etc.; An increase of 1s. 6d. per lb. in the duty now levied upon cigars up to the value of 10s. per 100. In my statement I mentioned a reduction of 1s. per lb. in the price of imported Cavendish. I want to state that I have since seen various manufacturers, and they have decided to withdraw their proposal for the reduction of 1s. per lb. in the price of imported Cavendish, as they are satisfied as it is. The other points are : A discontinuation of the parcels post allowing goods to be imported into South Africa, or in lieu thereof a registration fee of 7s. 6d. to 10s., in accordance with the value of the contents, in addition to the ordinary duty ; a free interchange of traffic between the various Colonies in South Africa, and the continuance of the Customs Convention ; a continuation of preferential treatment on the railways for Colonial manufactures between the various States, but amended to favour each State for its own manufactures ; a discontinuation of imported Indian labour in competition with white labour. There are also other matters, such as duty on tin-foil and the withdrawal of 2d. per pound on advertising matter. These are the changes, and will meet the wishes of the Manufacturers' Association. They think these subjects might very well be touched upon, as it comes within the scope of the tobacco trade.

14871. The principal point is in reference to the increase of the duty on cigarettes. You refer to the alteration at the last Convention ?—It is not exactly an increase. As the tariff stands to-day it is a slight increase, but the last time this matter was considered it was not taken into consideration that whilst they imposed the 15 per cent. *ad valorem* they had imposed 25 per cent. upon certain articles to be used in the manufacture of cigarettes. They also imposed an increased duty upon leaf, but they did not allow for the waste in manufacturing, and it is to amend such changes then made that my proposals are made thus, leaving the same amount of profit as before the alterations came into force. My proposals are purely rectifications of matters which were lost sight of at the last Convention.

14872. What are the alterations you want ?—The alteration is a slight increase of 6d. per lb. in the price of imported cigarettes from oversea, with a corresponding reduction in the price of leaf.

14873. *Mr. Kayser.*] Unmanufactured tobacco ?—Such leaf as has to be imported for the purpose of manufacturing and blending in this country so as to amalgamate the South African tobacco with those tobaccos from over the sea. The reduction would still leave a protection of about 500 per cent. in favour of the Colonial tobacco. We do not seek to reduce too much ; we think it will be thoroughly protected. Colonial tobacco is of the value of 6d., and leaving the duty at 2s. 6d. it would still give 500 per cent.

14874. *Chairman.*] An increase of 6d. on cigarettes and a decrease of 6d. on leaf are the two first points ?—Yes. Then there is the question of the increase of 1s. 6d. per lb. in the duty now levied upon cigars up to the value of 10s. duty paid per 100. Of course, I am now speaking for the Manufacturers' Association and the section of the Chamber of Commerce in this direction ; that is, I am speaking generally and not for the company I represent.

14875. Those are the three increases you want in the tariff. What do I understand about the parcels post ?—I might state I gave evidence before the Commission in the Transvaal last week, and it is generally felt throughout the country that the parcels post at the present time is doing serious injury to the whole of the trade of South Africa. While people are paying high rentals in shops, and paying Government duties and travelling expenses and other charges, whilst people oversea are circularising people on this side, and the parcels posts carries parcels to Johannesburg for 1s. and to Cape Town for 9d., whereas if you send it from Adderley Street to Kenilworth you have to pay 8d. These people in England are doing a very large trade. They are sending surplusage of goods to South Africa obtaining orders by circularising it, and it is impossible for many of the retailers here to make a living against such competition.

14876. You suggest 7s. 6d. to 10s. per parcel ?—Yes. Even a merchant, by the time he has paid the landing agent and the railage charges, cannot import the parcel post price.

14877. They can import cheaper by parcel post ?—Unless it is anything very heavy you can certainly import cheaper by parcels post.

14878. Does that only apply to Cape Town ?—It applies still more seriously upcountry. There are certain dealers in England at the present time paying very small rentals, trading in some little back street, and whose whole living is made by advertising in the public papers in South Africa. They have no staff of any magnitude, and they send goods out here. In Johannesburg or Cape Town or anywhere else in South Africa the shopkeeper pays rentals of £50, £60 or £70, and has to compete with a person who has in London a few back rooms, paying no taxes and getting from South Africa ready money in return, whilst the shopkeeper here has to give credit.

14879. But some parcels are not worth 1s. perhaps, and you ask for 7s. 6d. or 10s. ?—Yes, but I understand it is done in Australia, and how is the South African trader to live here unless he is protected in some way ?

14880. What is the other point ?—The question of the interchange of traffic between the various Colonies. The question was put to me in Johannesburg whether I was in favour of giving preferential rates on the railways, and I think the suggestion that each Colony has a certain reduction or preference of its own manufacture should be allowed. I think it could also be arranged that there should be a third-rate each Colony itself taking the first rate, interchange between Colony and Colony the second rate, and a third rate for imported goods oversea. I think that would assist every one, and would certainly satisfy the Transvaal, viz. :—that the manufacturers on the seaboard were not getting a better treatment than they are obtaining.

14881. The first rate would be on raw material I suppose ?—Raw material, whatever it is required for manufacturing, should be carried at the very lowest rate possible.

14882. Do not manufacturers up in the Transvaal object to the preferential rates to the manufacturers at the coast ?—They do, very strongly, and I think they have some cause for complaint.

14883. Would this do away with that ?—I think so to a great extent, because if the Transvaal could send their manufactures from Johannesburg to Rustenburg or Pretoria, etc., at the lowest rate, next there should be a low rate for Colonial manufactures to go into the Transvaal, and that would, in my opinion, get over the difficulty to a great extent which exists at present. They complain, and I think rightly, but they are not being treated equally, but it could be so adjusted that they would be satisfied with the Customs Tariff.

14884. Is there any other point?—There is one crying shame, I think, at the present time, and that is the use of imported coloured labour in Natal, which is bringing about a tremendous amount of ill-feeling in the Transvaal. I think that is more directed against Natal than against the Cape, because they employ a number of Indian labourers there and compete against the white men. They have not this class of labour in the Transvaal, and consequently feel it is very unjust.

14885. We have the same objection here, because they bring soap, matches and candles into this Colony made by the coolie labour, thus cutting us out?—If something could be done to stop the constant importation of this labour we should be on much more friendly terms with the Transvaal.

14886. Have you anything to suggest? We cannot do it by Customs?—I do not think so. Having given this evidence, it would be wise to point out that this class labour seems to be the crux of the question. If this labour could be stopped from coming into Natal or competing white labour, it would be a very good thing for the whole country.

14887. The two principal industries of Natal are sugar and tea, and they say they could not do without the cheap labour?—That is for the soil, the same as a farmer here might employ Kafirs, but what I speak of is the actual turning out of manufactured articles by using imported coloured labour in competition with the white man.

14888. It can only be met by legislation?—I have a good deal to suggest, but I am afraid my suggestions might not alter the case. The Chinese labour has been stopped in the Transvaal in deference to the white man, and we should stop the importation of this labour into Natal also in deference to the white man.

14889. *Mr. Kayser.*] You suggest an increase in the duty on imported cigarettes. Who will get the advantage from that?—The Government.

14890. What is the object of the increase?—It is such a small amount that it can hardly be termed an increase. It is asked to rectify the action of the last Customs Convention, when they lost sight of the fact that when they put up the price of leaf they did not allow sufficient margin for manufacturing the article here. They put 25 per cent. on printed matter, which before was only 7 per cent. When they were arranging this tariff they did not allow the difference to the manufacturers by adding the increase the manufacturer would have to pay for his materials.

14891. You mean to say because they put an increased tax on printed matter they must now put an extra duty on cigarettes? Does the duty on printed matter amount to the 6d. per pound on cigarettes?—I think it does. It depends on the goods you are packing. You may pack some lines in a more expensive way than others.

14892. What is the average cost of packing?—That would be about the difference what I have originally proposed.

14893. You know the difference. Will you give us the price of the various lines?—I can hardly give to the whole world the cost of manufacturing our production.

14894. The extra cost of this printing and advertising?—Roughly speaking, about 6d., if you take all the lines on an average.

14895. Cannot you give a different line?—I would have brought the information if I had known. I will send it in to the Commission later on, if requested.

14896. Is that the basis on which you claim the 6d. extra?—And the 6d. reduction, because last time they allowed for a stemming, and this has been stopped. Before the stemmed and unstemmed leaf was admitted at different rates. Now the manufacturer has a further outlay of money, and has a certain loss in manufacture.

14897. What extra price will this put on the imported cigarettes?—1s. 3d. per thousand.

14898. That would amount to how much per cent.?—About 6¼ per cent. on the price of the cigarettes.

14899. The selling price of the imported cigarettes would be increased by about 6 per cent.?—On certain lines. The are so many different lines at so many prices, that, when I say 6¼ per cent. it would vary considerably. I am basing it on a 20s. cigarette, but it would only be half that for a 40s. cigarette.

14900. You ask for a decrease on unmanufactured tobacco from 3s. to 2s. 6d.?—Yes.

14901. Who would get the advantage of that?—I think the country.

14902. You would reduce your price?—The price of cigarettes is now lower than it was before any manufactories were started in this country, but that is because people cannot afford to buy a dear cigarette.

14903. The price to-day is on the basis of 3s. duty?—Certainly.

14904. With a duty of 2s. 6d. would you reduce your price?—Certainly—I would say by about 1s. to give the wholesale houses a better margin. I do not think the prices is exactly right now, because it does not cover the duty. Last time they allowed stemmed and unstemmed tobacco to come in, they increased the leaf duty but did not allow for that increase on the imported cigarette by a corresponding increase in duty.

14905. Now both stemmed and unstemmed leaf come in at the same rate?—Yes, and since that tariff has come into force a number of hands have been discharged. There were 40 to 80 employed in Cape Town stemming, all of whom have been discharged since the last duty.

14906. How much would the decrease make on 100 cigarettes? What do they weigh?—About a ¼-pound per 100.

14907. About 3d. a hundred then?—No, about 1½d. per 100.

14908. You ask for an increase of 1s. 6d. on cigars?—The Manufacturers Association felt that this would stop the importation of the very low grade cigars which are made in Holland and Germany. These cigars can very well be made here. It is not for the high class cigars, but those cigars which are made by child labour and people who are employed in the fields during the year, and who in their spare time make these cheap cigars in Holland and Germany. You cannot get that class of labour in this country except the Indian labour. Those are cigars sold at from 9s. a hundred wholesale. The cigar manufacturers here are virtually dead; there is no trade left for them. Except for Natal cheroots, I do not think there is a cigar made in the whole of the Colony or Transvaal now.

14909. I thought you said this came from the cigar manufacturers?—They still exist in this sense that Sturk & Co. and Hermann & Canard are here to-day, but they are not manufacturing cigars. They are having to live on other products, such as snuffs, tobaccos, etc.

14910. Is it not because the manufacturers of cigars and cigarettes have gone into the large Companies?—There are no large Companies. Our Company does not make cigars—only cigarettes.

14911. You suggest a decrease of about 6d. a hundred on leaf, and an increase of about 1s. 6d. on the cigars?—Yes. The 6d. would not make a great difference; as the greater portion of the cigars is Colonial leaf.

14912. On the cheap cigars you are asking for about 15 per cent. increase?—Yes.

14913. You think that is for the good of the country?—I think it would allow a number of manufacturers to exist. I do not think it is good that things should be dumped in this country when they can be turned out by white labour in South Africa.

14914. What do you mean by 'dumped'?—If you get people from the fields to manufacture these things in their spare time you have that class of labour which this country cannot compete with, and therefore you assist Indian labour in Natal to compete. No white man can live against such competition.

14915. By dumping you mean sold at a low price?—I mean sold at an impossible price.

14916. Are they sent here and sold by auction?—Any quantity is sent on consignment, and some are selling cigars at 4s. a hundred. The labels and the box and work in Holland and Germany cost 2s. so you can imagine how much is left for the cigars.

14917. Does it not appeal to you that if you increase the duty on the cheap cigars these people will be able to do it all the more? It means you are protecting those very men in Natal?—I do not know that I am protecting them specially. I think by giving a possible profit to manufacturers here of these cigars you may have white labour to make them instead of Indian labour.

14918. You will increase the protection by 1s. 6d.?—Not necessarily. I will give the white men a chance to live, so that they may come in competition with the Indians and stop them.

14919. Do not you think if you had the white men working and then would like the duty raised it would be best?—I can only say the places are closed up now, but with the protection they may open again and do a certain business.

14920. You say the Natal manufacturer is using coolie labour?—They are not making the same class of cigars; they are making cheroots.

14921. You want the duty to stop cigars being dumped here?—I think then the cheroots would not be dumped here. If a person can get a good cigar he will not have a cheroot. I think it is a grievance and there should be some attempt at limiting it. The cigars the country is at present importing are of a higher grade as a rule than this. I give the value of the cigars—5s. per hundred at Docks. Anybody in a good position to-day smokes better cigars than 5s. a hundred bond, say 12s. duty paid.

14922. You distinctly told me your reason for putting on this duty was to shut out the cheap Dutch and German cigars?—So it is.

14923. If you do that the Government lose the revenue which they at present derive from those cigars?—Yes, but they do not lose the revenue on the leaf. They lose the revenue of 6s. and get back on the leaf, boxes and printed matter, and then they get a certain industry established here.

14924. They get a revenue on the leaf of 2s. 6d. a pound under your new suggestion?—Yes

14925. Which means a loses of 3s. 6d. a pound?—That is so, and that trade existed before the last Customs Convention, but you destroyed the trade.

14926. Those cigars were imported, were they not?—There were some manufactories, but now they have closed down. Sturk & Co. did a good trade. There are several which have closed altogether. The whole of the cigar-makers of the country, except the cheroot makers, have closed down.

14927. With regard to the increase on unmanufactured tobacco, do you not think that would be better met by an excise on local tobacco of 6d. a pound?—I should say an excise on local tobacco might be a good thing for the country. It would bring in a good revenue, and I do not think it would affect the question of the imported tobacco. There is 500 per cent. protection as it is.

14928. If you put an excise on Colonial tobacco you would hardly ask for a reduction on unmanufactured tobacco at the same time?—I do not see why not. The smoker of one line should not pay everything whilst the smoker of Colonial goes scot free.

14929. If an excise were put on Colonial tobacco would it improve the quality? —They would stop growing rubbish. A quantity of the tobacco they are growing in this country is doing injury to the farmer to-day. If there was an inspection of the tobacco and only good leaf allowed to be sold, it would improve the tobacco growing in this country.

14930. And if it were improved would you grow a larger quantity of it?—We would certainly use tobacco at 1s. or 1s. 3s. rather than pay 2s. 6d. a pound duty and pay 1s. for the imported tobacco.

14931. The question is cannot they grow tobacco for which you can pay 2s. 6d.?—I do not say they are not growing some good tobaccos, and improving, but they cannot grow certain tobaccos. For instance, Virginia has to import Turkish tobacco, and Turkey has to import Virginian tobacco. Certain leaf you cannot grow in this country.

14932. Do you think an excise on Colonial tobacco would meet that?—I think there might be an inspectorship of tobacco grown in this country, and certain leafs which are unsuitable and placed on the market should not be allowed, because it is damaging the Colonial tobacco at the present time, and it reduces the price of the tobacco all round. The best class farmer has no chance, because others they are offering "dirt" at such a low price that it is killing the better class leaf. I think an excise on Colonial tobacco would be a very good thing, because it would give a certain amount of money to the Government who could assist the farmer to improve and grow in competition with the tobaccos which must now be imported.

14933. Would it improve the quality of the tobacco?—I think so. At the present time the Government have not the money to spend, in improving the tobacco crops, or giving instructions.

14934. Will it tend to do away with the importation of leaf?—I think so. Each year sees some of that done away with. Certainly the Colonial tobacco is improving very much, and if the farmers only took a little more interest they could improve it still more.

14935. With regard to the railway preference on Colonial manufactures, have you any objection to its being removed?—Personally I think there should be some differential rate between the oversea traffic and the article manufactured in the Colonies, but it is a bit unfair to the Transvaal to allow Cape Colonial mannfactures to go there at the very lowest rate as their own manufactured goods.

14936. Notwithstanding that you have such a large protection in the way of duty, you think there should be still further protection in the railways?—The protection in duties the Colonial Government gives back its own preference to the Transvaal, because they are in the Customs Union.

14937. You would get no preference over the Transvaal manufacturer if you paid the same rate of rail carriage?—Yes, that is so, but one can manufacture at a slightly lower rate at the coast.

14938. Do you yourself, as a Colonial manufacturer, object to the railway preference you now receive being done away with?—No, I think it is only fair it should be done away with, or levelled to about half, so as to give up-country manufacturers a chance also.

14939. It would not affect your sales if the railway preference were done away with ?—I would not like to say. I think it would affect us slightly.

14940. As far as the imported article and the manufactured article are concerned ?—No, I do not think they should be carried at the same rate.

14941. Another Colonial manufacturer might get a share of the business, but your own sales as compared with the imported article would not be affected ?—No. I think in fairness to the up-country places it should not be carried at the present rate.

14942. You object to the charge of 2d. a pound on advertising matter ?—Yes. At the present time the printers require some protection, and we do not fall out with the rate on that account—in fact we give them as much work as possible, because they are a Colonial industry—but what I do think unfair is the right of the Customs to levy 2d. a pound in lieu of 25 per cent. That is a most iniquitous charge, because some times they have to pay 15s. for a show-card with glass and a wood frame. There is such a thing as a fair charge, and I do not think it was ever thought that it would work out in this manner.

14943. They charge whichever is the greater. Is not that the objection you have ?—No. That is not the only objection. I say it is an unfair charge. I have seen people pay 6s. or 7s. duty on an article which at 25 per cent. would not be more than 1s. 6d.

14944. Do you import your cardboard boxes ?—No. They are made here, but we import other things which cannot be made here, and pay 25 per cent. My company has a large box-making establishment, and we have about 40 hands employed and the necessary plant. We have the latest machinery.

14945. Are those cardboard boxes ?—Yes. If we knew the duty was stationary for a few years we would not mind increasing this department, only the duties are so uncertain from year to year.

14946. You control the machinery for that particular class of box-making ?—No.

14947. You gave evidence before the Transvaal Commission ?—Yes.

14948. Similar to the evidence to day ?—Something on the same lines, They asked me a number of similar questions to what you are asking to day.

14949. Do you find the parcels post interfere with your trade ?—No. Not directly, but indirectly ; I am speaking of the retail trader, whom I take it I represent here to-day, and it does not affect them seriously.

14950. Retailers in tobacco ?—Yes, and it effects other trades in the same manner. In the Transvaal I found nearly every light-class trade suffered from the same thing. The Army and Navy Stores and other stores in England were doing more business in the Transvaal than some of the high-rented shops in Johannesburg.

14951. Your idea is that a very large quantity of the imports into South Africa come by the parcels post ?—I am positive a good part of the light ladies' trade is coming through the parcels post. I do not say it will not tell heavily against the ladies if this change is made, but that trade is being done now through the parcels post, and consequently the traders in this country are not getting the benefit from that trade.

14952. Have you gone into this matter seriously ?—In Johannesburg, but not in Cape Town, because I have not had time.

14953. Have you looked into the amount imported ?—No. I went into it in Johannesburg, and it was serious.

14954. What percentage do they import in Johannesburg ?—It is difficult to answer that, because I do not know what profits the seller and wholesale house and each one put on the articles in proportion.

14955. You could not tell the total amount of imports for the country, and also find out what percentage of those imports come by parcels post ?—I handed over to some one to look into, and, in giving this statement, do not know whether I am correct, but I understand there is 20 per cent. of the light trade done through the post in the Transvaal.

14956. You do not know the percentage in Cape Colony ?—No ; I have not had time to look into it.

14957. It is less than 2½ per cent. here ?—All over including everything.

14958. Yes ?—Well, you would not import anchors through the post, but taking the ordinary things which can be imported by post and would be imported in the way of merchandise it is more.

14959. These things run into high value. Ladies' dresses, for instance, go into very high value as compared with anchors ?—I do not know really whether a lady's dress or an anchor costs more.

14960. Is this parcels post on the increase or decrease ?—Increase.

14961. You would be surprised to hear that for the last two or three years it has been practically the same in the Colony ? During the last seven years it has been under 3 per cent. ?—I never anticipated for one moment that they would import furni-

ture or anchors or things like that through the post, but taking the 3 per cent. and putting it against the light articles which can be imported by post, it runs to about 25 per cent.

14962. You can only carry light parcels and parcels below a certain size through the post?—Yes, put the percentage I give against the lighter articles.

14963. I am putting the actual position to you. Of the whole of the imports of Cape Colony there is less than 3 per cent. imported by parcels post, and yet you say this is a very serious factor in the business of the country?—It is, because I do not think you are putting a parallel case. You put 3 per cent. against the whole of the manufactures coming into this country, but I take 3 per cent. against the articles which are imported by the shops selling the goods of that kind that can be imported by post, and then the percentage is about 25 per cent.

14964. I think you made the remark that some of the businesses were being practically shut up on account of the import?—I would not go so far, but would say that is a system tending very much towards it. There are certain articles I want to point out which you cannot import by parcels post, and therefore this statement is only against certain trades which suffer from parcels post.

14965. What is your remedy?—By stopping it altogether.

14966. How?—By stopping the parcels post altogether or imposing such a registration fee so that goods would come through the proper channels.

14967. We have it in evidence that a large number of the merchants make use of the parcels post?—They should be stopped if it is for the general good.

14968. They say it is in favour of their business?—It may be of assistance to us, but not to the trades it injures.

14969. You seriously suggest that we adopt the retrograde step of doing away with the facility of importing goods?—I would not call it a retrograde step at all. If any man has a place of business, and is having his trade taken away, I do not think it would be a retrograde step to adopt some means of assisting him to recover that trade which he is now losing.

14970. We have had evidence from storekeepers in which they value the parcels post, but they have suggested that differential rates should be charged—private importers to be charged one duty, and general importers another?—I have heard that in the Transvaal, but it is absurd. It is convenient to some merchants to have the parcels post; but they must make sacrifice for good to the country.

14971. You do not press the matter of doing away with the parcels post?—You perhaps send out a commercial traveller, you pay a licence, and must pay rent and other things, and these people using the post pay nothing. There must be a very heavy registration fee on parcels, or else do away with it.

14972. What is the lowest?—A minimum of 7s. 6d. should be charged.

14973. You do not think a minimum of 2s. 6d.?—I do not say it cannot be gone into on the poundage system; it might be, and in preference to a registration fee.

14974. Do you think it would meet the matter if the Colonial postage were charged in addition on those parcels going inland?—It would only remedy the evil in the inland towns and not at the coast.

14975. *Dr. Viljoen.*] What tobacco industry do you represent?—I am here to-day as the representative of the Manufacturers' Association, and am a member of the Tobacconists' Section of the Chamber of Commerce; but I am not representing the Chamber of Commerce.

14976. The Chamber of Commerce does not run a tobacco factory?—They have a section for tobacco manufacturers, but I am not representing them in my replies, but the Manufacturers' Association.

14977. With what tobacco company are you associated?—The United Tobacco Company.

14978. How many United Tobacco Companies are there?—Three, all told. There is the United Tobacco Company, of London, of which I am a director, the United Tobacco Company (South) in Cape Town, and the United Tobacco Company (North) in the Transvaal, of which Companies I am also a director.

14979. They all belong to one concern?—Yes.

14980. What proportion of the tobacco industry in this country do you govern—or shall I put it this way: how much of the tobacco industry is controlled by your United Tobacco Companies—what percentage?—I think it would be most difficult for me to tell, because I do not think anybody in the country knows. I do not think this country or the Transvaal know what tobacco is grown and sold in the country.

14981. You do?—No, I do not.

14982. Do you mean to tell me you do not know the proportion of the business in South Africa which you control?—It is impossible, and I do not think there is any person living who knows.

14983. What proportion of the tobacco business in the country do you control, or your companies ?—I say it is impossible to tell you. There is an enormous quantity of tobacco grown in this country.

14984. I am talking of the manufacturers, and not the tobacco growing ?—I could not really tell you. There are lots of manufacturers. I do not know what they are doing.

14985. Are there many manufacturers of tobacco ?—About six or seven in Cape Town, six or seven in Johannesburg, two or three in Port Elizabeth, some in Durban, some in Rhodesia—all over the country.

14986. Old established companies ?—Some old established and others younger.

14987. We have had it that the unmanufactured stemmed and unstemmed tobacco imported into Cape Town for the nine months ending 30th September, 1907, was £25,864. How much was imported by your companies ?—I can hardly give you that figure without working it out.

14988. It is very important we should know ?—Why ? I came here as representing the Manufacturers' Association, and did not know you were to question me personally. I could not tell you, but would look it up and let you know if it is of importance.

14989. And cigars ?—We are agents for a line of Manila Cigars.

14990. Cigarettes ?—We import a few brands.

14991. You cannot tell me what proportion ?—No. I was not prepared for this question.

14992. Manufactured, cut and uncut ?—I cannot tell you.

14993. You cannot give that information ?—No. I could have brought that return if I had been asked. I should say the Secretary of the Commission might have the information.

14994. Some other manufacturers in the Cape Colony were established before you and others of course came after you ?—Very few are longer in business than our company if you take it that the company of which I am a member and representing succeeded myself.

14995. You floated yourself into a compady ?—Partly. There are few older established, excepting for snuff and cigars.

14996. I suppose your company is doing well under this protection ?—It is not doing as well as we might be doing, because at the present time we could be doing very much more if we knew what would be the result of this Convention and where we stood once and for all. The present state of affairs has been undermining all the manufacturers in this country.

14997.—This question may seem personal, but complaints have been brought to me. Are all these companies languishing now ? Are they being cut out through competition ?—I do not think so. I think the tobacco part of the business is fairly good excepting cigars, but I think it would be better if the tariff were fixed for some years.

14498. Do you consider your companies a Combine—a Trust ?--We are no Trust. All I can say is that the shares I hold in the company belong to no Trust, and I know of no other company but the United Tobacco Company, and although we may be manufacturing some brands which do belong, I believe, to what they term the Trust, as far as I am concerned I belong to no Trust.

14999. I am talking of the tobacco company ?—You are giving me an opportunity of refuting a statement I have also heard of.

15000. Your company is not associated with a Trust in any other part of the world ?—This is a company which I went Home to form. I got certain people in London to join us—that is my two brothers and myself—to form these two companies here, and I know no more than that those shares are held by me, my brothers, and other members, who are at present resident in London.

15001. You say some of the qualities have the brand of the Trust ?—I believe they say some of our American lines do belong to the so-called Trust and we are manufacturing them, but that is under licence, and we have an agreement to manufacture them, and they dare not sell them in our Territory. The long and the short of it is that before these goods came into this country they were manufactured abroad. When we entered into agreement to start a company here and in Johannesburg—which has already been running fifteen years—we then decided to manufacture as many selling brands as we could, and entered into agreements with various other companies in other parts of the world—America, England and so on, all the leading companies—getting the right of manufacturing those goods here and getting the necessary machinery ; and we are giving employment to hundreds of people where formerly that business went to other parts of the world. That is the answer I have to give to you.

15002. If those people come to the Commissioners and make a statement—privately or here—that they are going under, as it were, through the severe competition of the United Tobacco Companies, they are making false statements?—They are not speaking the truth, because the trade we are doing here to-day is not wrested from them by this company; they never did that trade. It was going to England and America, and now the people in this country are getting the benefit of it—the printers, box-makers, ourselves and every one else. The profits made in labour are being left in Cape Town and Johannesburg. That is the position of the trade to-day which you call a Trust. South Africa is obtaining the manufacturing trade which formerly went abroad.

15003. What proportion of the tobacco you use in your manufacture is Colonial? —Some brands we use have no Colonial tobacco, and others are very largely Colonial; but in regard to some of the standard brands we purchased from abroad we should not be allowed to put Colonial in those; we have to manufacture those according to certain recipes.

15004. Even your manufactory here is controlled by some power outside: you have to make the cigarettes according to a certain recipe?—Every manufacturer has to make according to a certain recipe.

15005. That is a voluntary recipe which you can change. You are telling us you have a recipe here which, like the laws of the Medes and Persians, cannot be changed. That must be controlled?—If I buy a certain thing and say I will keep it to a certain standard and that during the time I am allowed to use it I will not in any way make it a second-rate article, and will always keep up the standard so that it will maintain a certain standing in the market, I must carry out that agreement; otherwise it may injure the brand elsewhere.

15006. You mean to tell us it is a brand of quality?—Yes.

15007. It is a brand and not a recipe?—I mentioned that at the commencement.

15008. If you want to utilise that brand you must put the prescribed ingredients in it?—That is so.

15009. That brand belongs to the Trust?—I cannot agree with you.

15010. Does that brand belong to the Trust?—Which Trust?

15011. The American Tobacco Trust?—No, it does not. Those brands are registered in the name of the United Tobacco Company in the Deeds Office here, as also the list of the shareholders, all of whom are in Cape Town or London. They do not belong to the Trust; they are our property.

15012. Then surely you can change the ingredients?—No, because we bought them under the condition that we were to manufacture the same article in this country as is manufactured in other parts of the world.

15013. This same brand is manufactured outside of your companies?—Certainly.

15014. Where?—Some of them in England and America, but not all of them.

15015. Do these manufacturers belong to the American Trust?—Only one brand I know of (Pin Head).

15016. These people are not far out in saying you are connected with the Trust? —That is not a fair statement to make. I have replied to your question, and you must take it as I give it. You asked whether this article was manufactured here and I said there was one brand manufactured, and immediately you say, "Then it is made by the Trust." I never said such a thing. I said one brand was manufactured in America, which I believe it has been said was by a Trust, but whether that is so or not I cannot say, because I do not know what evidence they will have to prove that it belongs to a Trust, or not. One brand belongs to the so-called Trust.

15017. I am going outside the Cape Colony now. Can you tell me what amount of the tobacco used by your factory in the Cape Colony is Colonial?—I have never worked it out.

15018. One of the instructions that the Commission has received is the question of what proportion of imported raw material should be allowed in manufactured goods claiming preferential rates as South African manufactures. That is why I ask?—As a matter of fact, I have not claimed that.

15019. Do you not claim protection?—On the railways you said.

15020. Not the railway alone, but preferential terms generally. Protection at the port is preference?—It would be impossible to say what proportion we use. All I know is we bought 500,000 lbs. weight of Colonial tobacco within the last twelve months.

15021. Cape Colonial tobacco?—Not all Cape Colonial tobacco. We bought 500,000 lbs. weight of Transvaal and other Colonial tobacco within the last twelve months.

15022. In Cape Town?—No, throughout the country, and we brought it into Cape Town and have it here.

15023. It will be manufactured here?—Yes.

15024. How many thousand pounds of tobacco do you use in your factory in a year?—I think it is a tall order to ask me clean off on the spot. I will endeavour to answer it.

15025. I presume you perused the terms of reference?—I did not. I was asked by the Manufacturers' Association to come here, and I never prepared a single figure for myself. I thought I was appearing for them, and not for myself. It is about 780,000 lbs. of tobacco. You will see the difficulty. Say that has to be deducted which we are sending to the Transvaal to our North Company. We are preparing a quantity of tobacco here which we send to the North Company.

15026. You manufacture it here?—Yes, but not altogether.

15027. Is the 780,000 lbs. the total amount of tobacco used in Cape Town by your factory?—Yes, per annum; that would be about the quantity imported. I I should say it stands, roughly speaking, at 1,280,000 lbs. taking the Colonial—780,000 lbs. imported and 500,000 lbs. Colonial. That is a fair proportion. It gives about 40 per cent. Colonial.

15028. Is the tobacco grown in the country increasing in quantity?—Yes, it is.

15029. And in quality?—Not in proportion. Some of the farmers are taking a lot of trouble to improve it, and others are not growing quality but quantity, and when you tell them to grow something better they insult you—that is, some of them.

15030. Has not the tobacco improved in the Cape Colony during the last year? —Talking generally, no; talking of certain farmers' crops, yes. That is because they are growing far too much tobacco in this country.

15031. Do you not want to see all the tobacco manufactured by you grown in the Colony?—Yes, but we cannot use a great portion of it; it is unfit for use, as I said. The sooner that tobacco is burnt by the Government the better it would be for some of the farmers who are trying to grow good tobacco.

15032. Some of these people like the strong tobaccos, and you would do them an injustice to destroy it?—That may be, but some people do not like poison.

15033. You want to deprive those people who want poison?—Yes, to protect themselves against themselves, so that they smoke something decent.

15034. You want to see the duty decreased, and increased on cigarettes?—Yes.

15035. Would I be wrong if I would like to see it just the contrary: I would like to see the cigarettes reduced by about 100 per cent. and the unmanufactured tobacco grown in the country protected more?—Would you like to see 400 hands thrown out of work and the building knocked down? May I ask you which way you would run that factory with your grand ideas at the present time? I am here to-day to give evidence as to what the duty should be, and how it should be adjusted. In my opinion the farmers are satisfied with the protection they are receiving in the matter.

15036. When the farmers complain to me that their protection is not sufficient they are making a statement against their convictions?—If any farmer will tell me that 500 per cent. will not protect him, I would say it is absurd. Take it that the American leaf is worth 20 cents., which is 10d., and take 2d. for importation, which makes 1s., and put up your duty to 2s. 6d., this makes 3s. 6d. Surely your farmer has enough protection, when some of his tobacco does not fetch more than 9d. or 10d. Why? Is that the fault of the Customs duty, or is it the fault of the farmer himself—that he is not taking sufficient interest in what he is growing? I say the farmers growing a good leaf to-day are getting a good price.

15037. What is the value of a hundred cigarettes?—I do not know which kind you speak of.

15038. What you sell?—We sell dozens of different kinds.

15039. I take an ordinary normal cigarette. What is the value of a pound of average cigarettes?—There are so many normal average qualities.

15040. Take your average cigarette and give me what you sell a pound at?—Put it down at 10s. a pound.

15041. That is what you sell at?—I cannot give you my price; I cannot give away the shopkeeper's part of the trade. That is about the price at which it is sold by them.

15042. I presume the shopkeeper gets it for 50 per cent. less?—I suppose that is a much bigger percentage than he does get.

15043. You would get a protection of 100 per cent. almost—4s. 6d. a pound?—You forget we have to pay for the leaf—3s. a pound—so that is 1s. 6d.

15044. A man wanting to introduce a pound of cigarettes into this country has to pay 4s. 6d. on those cigarettes and the ad valorem duty?—But you are forgetting a manufacturer has to pay 3s. duty for the raw leaf first of all.

15045. I am taking manufactured cigarettes coming into the country?—If you get 4s. 6d. protection you have to pay 3s. on your leaf, and there is only 1s. 6d. difference,

15046.—If I import a pound of cigarettes I will have to pay 4s. 6d.?—Yes.

15047. And in addition shall have to pay an ad valorem duty of 15 per cent.?—

Quite true, but we have to pay 25 per cent. on materials against the 15 per cent. ad valorem.

15048. You are starting with that?—I have to pay 3s. for the leaf. Your question was put to me on a high-class article, and I gave you a reply, and you work my answer in another question, which is not fair. I am asked how much the imported cigarettes are worth per pound, and I have answered 10s. a pound to the retailer. I am pointed out that they are protected against the Colonial. The Colonial, however, only brings 14s. to 15s. a thousand, which is not more than 4s. 6d. a pound. That is quite a different answer. If you will take my replies which I give I am positive you will benefit by them, because I do it purely and simply to give the proper answers, but by distorting them in this manner it does not assist you, and I doubt whether it will assist those people reading the evidence.

15049. *Mr. Harlow.*] In reference to this stemmed and unstemmed tobacco, is there any difference in the tariff on those two tobaccos?—Not to-day; there used to be.

15050. Supposing a duty were put on stemmed tobacco higher than on unstemmed, would that cause any more labour in the tobacco trade in the country?—When the last Commission sat the tobacco duty was 2s. 6d. and 3s., and they decided to have it 3s., which is the reason we are asking to go down 6d., because they did not take that into consideration.

15051. Supposing the 6d. was taken off the unstemmed tobacco and put on to the stemmed tobacco?—That would bring a certain amount of work in the country. If they had not taken it off that work would still have continued here.

15052. Bringing it up to 3s. a pound last time put a lot of people out of work?—Yes.

15053. *Chairman*]. You know the reason that was done? You know the evidence given before the last Commission?—No; I have not read the evidence.

15054. The answer given was that it was no advantage to bring in unstemmed tobacco because the stems were thrown away?—It is no advantage to the tobacco manufacturer. But the question put to me was whether it gave any more work in the country, and I say, yes; because the stemming took place in Cape Town instead of in Virginia. I do not think it gives the manufacturer here the slightest advantage whether it is stemmed or unstemmed, because the stems are useless, but it gives more work in the country.

15055. In reference to the 1s. 6d. per pound on cigars, you see we have already 6s. a pound in addition to 15 per cent. ad valorem. Would you press that point?—Personally I will tell you we are not interested in cigar-making, but I can say at the present time they cannot work at a profit. I have gone into it with the chairman of the section of the Chamber of Commerce.

15056. Not with 6s.?—It is not 6s., because they must pay for the raw leaf before they import, so the 6s. does not exist.

15057. The 6s. protection is only 3s.?—Yes. That is where Dr. Viljoen and I came against each other. The protection on one hand has always to be taken into consideration with the other protective duty of 3s. per lb. on raw leaf.

15058. *Mr. Harlow.*] If you had 10s. per pound on tobacco oversea it would be almost impossible to make the present population cultivate the taste for the Colonial tobacco, would it not?—If I may reply in this way. It is the same in Germany, and it is the same in Egypt. They will smoke Virginian tobacco even in Egypt to-day, and in Virginia again they will smoke Turkish. You cannot always in one country grow a particular class of tobacco to suit the population, so you must import it.

15059. You cannot cultivate the taste by the Customs Tariff?—Not everything. I think duties have sent them more on to Colonial goods, and by degrees they are getting more on to Colonial tobacco, but there is one section of the public which will not smoke the Colonial no matter how much duty you put on the imported article, but you endanger all your revenue.

15060. As a matter of fact the consumption of Colonial grown tobacco—not referring solely to Cape Colony tobacco—has gone up immensely?—The consumption has gone up.

15061. Do you mind giving the Commission an idea of the stocks of tobacco you keep—a rough idea of your imported and Colonial stock?—I should say we have got about 1,200,000 lbs. of Colonial and Transvaal tobacco in our place at the present moment. We do not stock American tobacco to anything near the quantity, because the shipments come forward regularly each month, and it gets replenished from time to time. Here we buy the Colonial tobacco by the season, and keep it in stock for about two years to get it into a thoroughly good state. Other manufacturers do not carry out the same process, but we are trying to get it to a certain standard, and keep much larger stocks of the Colonial than we really require for immediate consumption.

15062. Do you manufacture as good a quality here as anywhere else ?—We carry out the work equally as well as anywhere else in the world, and the machinery used is as good as anywhere in the world.

15063. Can you tell us how many hands you keep employed in connection with your local factory ?—I think, roughly speaking, we have 420.

15064. Employed directly through your local factory ?—Yes.

15065. What percentage of those hands are coloured ?—We employ no coloured labour. We only have three Kafirs, who we use for loading and unloading carts.

15066. In regard to the coolie labour in Natal, do you seriously think that will injure the other Colonies ?—I think myself it is doing a tremendous amount of harm to the people of the Transvaal. I think they are looking at it more as a reason to break the Customs Convention than anything I know of at the present time.

15067. You think it will injure the Customs Convention if it is insisted upon ?—I think it is a real cause. I think it is more cause for trouble than anything—far more than the railway rates.

15068. This employment of the Indian coolie as against the natives of the other Colonies and against the white men ?—Yes.

15069. In reference to the 2d. per pound or 25 per cent. on printing, do you use a large amount of printed matter in your works ?—A good bit.

15070. Have you ever considered the possibility of having a printing plant of your own ?—We do print some ourselves and a good bit we give out here, whilst we also import a lot.

15071. You mentioned that if you had any stability of the Customs Tariff you might consider this matter of printing ?-- I said increasing the term of years. I may say I know two or three English manufacturers who might come out to this country to start in certain lines, but none of them care to come under the present Customs Convention, because they do not know what moment it may be broken. There are kindred trades that would work along with us.

15072. How long would you suggest the Convention should remain in force ? I think it should be definitely arranged this time for seven years, so that people starting a factory would know they were protected for a certain period and would be able to put capital into it.

15073. Seven years is rather long. Would five years do ?—Five years is better than three, but if a person invests a lot of money five years will not see him out of his trouble. 10 per cent. will only bring him 50 per cent. of his money back in five years, and perhaps then there will be a new Customs Convention.

15074. Supposing the duties remain on for five or ten years, do you think your industries will become permanently established even provided the tariff is then taken away?—I should put it this way: that there is no reason why Cape Town or South Africa should not do a very large manufacturing business for tobacco all over the world. You have Cairo, where they do not grow any tobacco and import every bit from Turkey, and yet it is noted for the largest manufacture of cigarettes in the world. We are importing cigarettes from Cairo which could be made here, and you could employ hundreds and hundreds of hands in Cape Town.

15075. Provided the Customs Tariff was removed after being on for ten years, could you then exist ?--It would be difficult to say, but I think if in the meantime they improve the tobacco in this country they may be able to, because the goods will be sold without the duty.

15076. Have your company considered the advisability of growing their own tobacco ?- We have, but I do not think we should go on with it, because the farmers would say we were in competition with them. We are assisting the farmers by importing the seed and giving our best ideas of how tobacco should be grown. We have spent £500 or £600, which we are not asking back from the Government, to send men round to advise them. We have all the seeds in our place, and are prepared to give them out and any advice. We had a Mr. Henderson, who was at the Kat River and giving his services to the Government free of charge, as you will see in the "Agricultural Journal," and we gave seeds and showed them how to cultivate tobacco, and have never asked for a penny to be returned, although I think we were entitled to it.

15077. Do you think the question of bounties on tobacco growing, for instance, would do anything towards increasing the supply ?—We do not want an increased supply.

15078. Towards increasing the quality then ?—I can hardly say that, because it will depend upon the man who is going to grow it. If he does not take sufficient interest in what he is growing, certainly not.

15079. Have you any difficulty in getting all the labour you require ?—No, and not alone that, we demand a certain standard of labour. We demand that every girl shall be respectable, and the class of girls you will see in the factory if you at any time want to see it is of a very much higher standard than in English factories.

15080. You have no objection to the Commission going over your factory?—We would be pleased to show the Commission the whole factory.

15081. *Mr. Tod.*] You at present have a protective duty of 1s. 6d. a pound as regards cigarettes?—Yes.

15082. You want to lower the duty on leaf by 6d. and increase the duty on cigarettes? – Yes.

15083. Therefore you really want a protective duty of 2s. 6d. for manufacturing?—Yes.

15084. Why do you require this increased protection?—I would like to answer this, because it is important. At present we are being competed against by England and America. In those countries they do not manufacture goods from duty paid tobacco. In England there are large bonded warehouses and the good are manufactured in bond. Therefore the Government do not receive any duty. Any waste is not dutiable. Then there are two or three other things in connection with the English factory. There is no duty paid on the stocks. In this country we have to pay full duty on all our waste, having to pay down full duty on all our stocks, and also on all the drying. In England they manufacture tobacco costing 10d. a pound, whereas we have to commence with tobacco costing 4s. a pound. In England as soon as they create waste they account for it, and the Government do not charge them any duty upon it, and they allow them a percentage for drying in. In this country we have to pay 4s. a pound whether we use the tobacco or if it is wasted, and there is no allowance for drying in, so that we have to handle an article which costs us 400 per cent. more than in England. We have to lay out 400 per cent. more, and from the time it is put in the factory till when it is turned out may be three months and we lose interest.

15085. Can you give the Commission any idea of the amount of labour in a pound of cigarettes?—There is the labour on the cigarette only, the labour of printing, and a number of other things.

15086. Take the whole lot?—I should say 1s. 9d. for every pound of cigarettes.

15087. You are asking for a duty of 2s. 6d. on the pound to protect the labour part of it purely?—How much?

15088. 2s. 6d., the difference of duty you propose between the leaf and the finished article?—No. It is 1s. 9d. per pound. The duty on a thousand cigarettes and the poundage is slightly different.

15089. Allowing for waste and everything else, 2s. 6d. would cover the labour and waste and everything in connection with the pound of cigarettes?—No. If you take waste, drying-in, and interest—you did not put that to me—I do not think it will cover it. I take 1s. 9d. as the labour here outside the printing of the cartoons, the box and packing.

15090. What would you place it at?—I think it is 3s. 4d. It depends on the brands. Some brands we use more expensive labour and more expensive foil, paper and packing. For some we should pay so much per thousand, and others more. I think it is generally 3s. 4½d.

15091. I have no doubt you contend the labour here is more expensive than elsewhere?—Yes.

15092. I want to know whether the protection offered to the manufacturer of cigarettes here is sufficient. You are asking for an increase of about 80 per cent. on your present protection?—England is protecting herself by a far higher rate than we are asking for. The tobacco duty on cigarettes is 6s.

15093. There is the same duty in England, I suppose, on the raw article as on the cigarette?—No. The duty on the leaf in England is lower than here, and on the manufactured article more than here.

15094. To the advantage of the English manufacturers?—Yes. I think you will find that to be the case.

15095. You ask for a very considerable increase, and there is another disadvantage in that you propose reducing the protection on the Colonial article. True, you point out the farmer at present has 500 per cent., and that ought to be ample?—I am not asking for anything more than was in vogue at the last Customs Conference, but this was lost sight of. Whilst they put an extra duty on the unmanufactured article, they put a corresponding duty on the manufactured article. Therefore they allowed nothing for interest or manufacturer's loss in manufacture, &c.

15096. Can you tell me the difference between cigarettes and raw leaf at the last Convention?—I think 1s., and now it is 6d.

15097. You are better off to-day?—No; 6d. worse off.

15098. What was the previous duty on leaf tobacco?—2s. and 4s. was on the cigarettes, plus 10 per cent. Now it is 4s. 6d. plus 15 per cent., and then the leaf has gone up to 3s.

15099. In the previous Convention you had a difference of 2s, and in the present Convention only a difference of 1s. 6d.?—I think the *ad valorem* duty went up by 5 per cent., but on printed matter and other things it went up by 18 per cent., because it was 10 per cent. before less 3 per cent., which was 7 per cent., now it is 25 per cent.

15100. You want the difference of 2s. restored?—Yes. It is only putting us on the same level as before the Customs Convention.

15101. Are you in favour of taking away the protective duty on printing?—I do not think so. I think a printer cannot live on the same wages here as in England. There must be some protection.

15102. Are there any articles you require in your business which are at present paying duty in regard to which you would like the duty to be removed?—Yes. Personally I would like the lot removed, but speaking from a printer's point of view, I think he is entitled to protection.

15103. You believe in protection all round?—Fair protection. The only thing I think a little unfair is the 2d. a pound on advertising matter, and I think the printers themselves say that is unfair. It is 2d. a pound when the Customs want to make it 2d. a pound, and sometimes that acts very harshly. Sometimes we have to pay 2d. a pound instead of 25 per cent., which is optional on the commonest goods, whereas on an article costing more you do not. I think the 2d. a pound is a foolish addition.

15104. You said you got no benefit under the preferential railway rates?—I said on imported tobaccos. If we manufacture purely Colonial tobacco we have a preference.

15105. You are not in favour of pressing that as far as the Transvaal is concerned, but you would like the rates continued in the Colony?—I think so. It might be the means of injuring the Convention between the five States—it should be dropped, and we should not sacrifice the Convention for a thing like that.

15106. Do you not see the man at Kimberley takes the same view of the preferential railway rates as the man at Johannesburg? Do you think they are right in principle?—I do. I think geographically each place is entitled to its own position, and we have no reason for using the railway rates for altering the geographical position.

15107. Are not you doing that to a certain extent by means of a differential railway rate?—You are entitled to do that in the Cape Colony, but I do not think you have a right to demand it in any other Colony.

15108. Is not the tendency of the preferential railway rate to establish the industry at the coast?—I certainly think it is.

15109. Is it fair on the inland manufacturer?—I think the fairest thing would be to go still lower in the carriage of raw produce and to allow the manufacturers a protective duty at the coast through the Customs.

15110. Do you require wooden boxes?—Yes.

15111. Do you import them?—We used to very largely. We are not importing so many now, because we get a great portion made here. We are promised we shall get the whole of them made here shortly, and have reduced our orders considerably.

15112. You know there is a protective duty of 15 per cent. on boxes. Are you in favour of its continuation?—There are men here making those boxes. It tells against us, but I think we have to take an all-round view of the thing and give them protection also.

15113. One of the arguments which has been used against the adoption of a protective tariff, and particularly as to fixing the Convention for a length of time, is that under such a system it will be possible for Trusts to form and manipulate the market here, and practically hold the public at their mercy as regards prices? I cannot see how Trusts can be formed in this country.

15114. You know they have been formed in other countries. You must confess that a protective tariff lends itself to that possibility?—I do not think so. Competition is always keen.

15115. Would you be in favour of a scheme of this sort, that is the appointment of a Board to work under the Customs Convention, the Board to have power immediately to take away the protective duty in the event of its being proved that any industry has combined to the detriment of the public interests?—I do not think there would be the slightest harm in carrying a resolution of that kind, because I think myself everything finds its level. For instance, in our trade, take the printer. There is one in competition against the other. The printers are more in competition with one another than before the duty, and it will be the same with the tobacco manufacturers.

15116. Can you say the same of your business, because in looking at the figures it seems to me that you are almost doing nine-tenths of the whole of the tobacco business of the country?—No. There are two or three big tobacco firms in Cape Town to-day doing a good turnover.

15117. Taking the returns of the value of tobacco imported, your figures nearly account for the whole of the imports?—I pointed out to Dr. Viljoen that you put to me a question which is now interpreted in another direction. I said the tobacco we got here was also for the Transvaal. We manufacture it here, and send it to Rhodesia, the Transvaal and Natal in the manufactured state. This is done purely and simply for the manufacturers of the Cape Colony.

15118. You must be doing an enormous share of the business?—We are doing an enormous share of the business, and we have put an enormous amount of money in it in capital. We have put up good buildings, and are giving good employment to a large number of people, and I think no one else can do the same thing. It is not a new business; we have only transported it from the other side of the water to this State. If we had put up a small building I suppose it would not have caused so much flutter. With a small place they say you are of no consequence and not worth protecting, and with a big place they say you are too big.

15119. *Mr. Pyott.*] I think you said in regard to the parcels post that the man sending his goods to this country got his money in advance?—Because as a rule the people advertising on the other side say that if you send a post-office order you will get the goods, whereas the shopkeeper would not get the money as he could not dictate the same terms.

15120. You are not referring to the post-office collecting the money?—No.

15121. You spoke of printed cardboard paying 25 per cent. That is not so, is it?—I said on advertising matter. I say if a person gets out a wooden frame with an advertisement in the centre, the Customs people weigh it and charge 2d. a pound, instead of demanding 25 per cent.

15122. You were not referring to the cardboard from which you make your boxes?—No; that is free.

15123. With regard to the tobacco brands which you purchase in another country, do I understand that you buy the right to manufacture the brand for the South African public?—Yes. In England a certain article may be advertised to-morrow. I may cable Home and try to buy that brand. There is a demand for it here. If I buy it the person selling it lays down that I shall manufacture it from certain ingredients in a certain manner; otherwise he will not part with it, as he wants the standard here to be the same as in other parts of the world.

15124. You must maintain the quality?—Yes.

15125. *Mr Scott.*] Can you make any suggestion regarding improving the growing of Colonial tobacco for the good of the industry?—I think myself there should be a proper school established in some part of the country, where they would be taught not alone how to grow the tobacco, but how to treat it—both during its growth and afterwards. If a school were started and these men were afterwards sent to the various farmers it would do a lot of good. It is no good having one expert in a country of so many thousand miles.

15126. Does that come under our agricultural school at Elsenburg?—There is one agricultural expert, but that expert cannot know about growing tobacco and every other article. In tobacco you not alone want one expert, but a dozen to know about the different grades and qualities of tobacco. A man understanding Virginian tobacco understands nothing of Turkish tobacco. Each tobacco has a class of its own. I think a man brought out who would teach the people in one central place, instead of sending him round the country to teach, would do far more good.

15127. If the adjustment is made in the tariff as you suggest, what effect will it have on cigar-making, which is an old industry in the Cape Colony?—From what I am told by the cigar-makers themselves, that is the reason they ask for this slight alteration—in order that they can commence the work again. I may say I am giving this evidence against myself now, as we wish the cigarette business to flourish.

15128. You represent the others?—Yes, and I am giving you their version—that it would assist them to commence making again.

15129. Without any detrimental effect to the smoking public?—Yes. 1s. 6d. on a hundred cigars would have no effect on that.

15130. I think you also mentioned that you knew of other industries that would start if the tariff was fixed for a term of years? I do not want you to give the names of the industries unless you can do it privately to the Commission?—I can only say, without going any further, that I know of three different firms which would have started in the country if there had been a certainty in the duty for a number of years and a protection in the tariff.

15131. Would these industries add much to the population of the country?—One of them would not add so largely to the population as it would bring a large amount of trade to the towns and railways.

15132. How does the changing of the tariff affect large industries which have been established?—It is most detrimental. The last time the tariff was altered everything was upside down for about two months afterwards. People were madly ordering goods, and afterwards they had them on hand and sold them at a sacrifice, and it injured trade all round.

15133. Does it injure the manufacturer more than the merchant ?—If the merchant is over-stocked he puts the goods away, but a manufacturer has to discharge a certain number of hands, because he has made a surplusage of stock which is not required.

15134. Does the climate assist the manufacturing of cigarettes and cigars ? Is it a congenial climate for the purpose ?—I think it is a very suitable climate.

15135. Suitable for the manufacture of tobacco ?—Yes. I consider Cape Town has a very good climate indeed for the manufacturer.

15136. Are you familiar with the tariff now in existence in New Zealand ?—I cannot say I am ; I know a good bit about it.

15137. I notice for manufacturing purposes the duty on cigarette tobacco is 2s. a pound while tobacco is 3s. 6d. They give the manufacturer the benefit of 1s. 6d. to manufacture it in the country ?—Yes.

15138. The duty on cigars is 7s. ?—Yes.

15139. Your tariff, even if amended, is not above the tariff in other Colonies ?—No. It is also lower than the English tariff.

15140. Have you any idea of the number of people employed in Cape Town altogether manufacturing cigarettes and cigars ?—I should say between 700 and 800.

15141. *Chairman.*] There is one point you have not touched upon. You are aware that Natal wants a stamp duty on cigarettes ?—Yes.

15142. This was discussed at the last Conference, and will probably come up again. Supposing there are to be stamps what additional protection will you require ?—According to that it would be taxing the article twice over.

15143. You know Natal are holding it over now ?—I think you should look at it in this light, that at present you are taxing cigarettes at the rate of 11s. 6d. a thousand, roughly speaking.

15144. Suppose we put 4s. 2d. more on ?—If you do that you will kill the sale of the 3d. cigarettes, because the 4s. 2d. is profit which the retailer must get to sell that article. If you wanted to tax cigarettes ½d. a packet you would naturally have to lower the price of the leaf that is imported. Then you would get the tax upon the Colonial article that is made from the Colonial leaf as well as that imported from oversea, but you would then have to reduce your duty on leaf tobacco, which is now a duty of 3s., to at least 1s. a pound, so as to impose the ½d. upon that all the way round, because I take it that if you imposed the ½d. duty as a tax upon cigarettes you would tax the Colonial article as well as the imported. If you did that to the imported leaf it would be unfair because you have already taxed them at the rate of 11s. 6d. If they impose a stamp tax of ¼d. on all cigarettes imported, but made in this country I should say there would be a very big revenue coming into the country, and then lowering the price of leaf tobacco from 3s. to 1s., I think the country would benefit by from £70,000 to £80,000 per annum. I worked out the figures in regard to bringing it into Natal, and sent them to the Natal Government. I say, that could only be done by reducing the price of leaf, otherwise the country would suffer very much in the loss of revenue. You would not gain revenue in that way ; you would lose it, because you would block out the article at 3d. and make it so dear that people would buy less.

15145. Would it stop the importation of cigarettes ?—It would reduce the sale and smoking considerably. When you levy a high duty you do not always reap a benefit. An unfair duty sometimes stops importation entirely.

15146. That would be an argument in favour of the duty if it stopped importation ?—Personally, while I am in favour of a fair revenue and fair protective taxes, I think you cannot force a person to have something he does not want. You can only try to protect yourself by fair means. By trying to do an impossible thing, and you know it, they injure themselves. Natal only suspended it because they were trying to do a thing which would never work on those lines. I see a great deal of sense in taxing Colonial tobacco for this reason, that there is nothing taxed at the present time that is grown in the Colony, and I think there might be a tax to do the country some good. I am not opposed to that for a moment, but a ½d. would be outrageous. If you put on a ¼d. it would bring an enormous amount of money into the country and reduce the imported leaf from 3s. to 1s., you would find the country would benefit by about £70,000. I am quite prepared to prove that by figures ; it is not a statement I am making without knowledge. That could be done, but all the same I do not see why cigarettes should be the only things taxed in that respect. For instance, there is no reason why Colonial tobaccos should not have a tax. On tobaccos grown in Virginia and the United States, they impose a duty on their own growings. It would assist the farmer, because a portion of the money could be used with the idea of forming a college as outlined by me, and showing them how to grow tobacco, 15147. I do not think there is the slightest chance of leaf tobacco being brought down to 1s. Suppose it was reduced to 2s. 6d. You say it would stop the use of the cigarettes to a very great extent?—Decidedly. You would have an impossible tax on the 3d. cigarettes, and instead of the country benefitting by the new duty it would lose, because the smoking population would not buy anything near the quantity now consumed.

15148. *Dr Viljoen.*] A good thing?—I do not know; for the country it would be a very bad thing. You would lose the revenue.

15149. Have you ever tried the French Hoek tobacco?—We gave them 3s. 3d. a pound—the highest price.

15150. Was it satisfactory for the purpose for which it was used?—I could not tell you, because we are storing it for a certain time.

Miscellaneous Industries, &c.—Brushes and Brooms.

Ernest Ingle, Manager, Claremont Broom Factory, examined upon the following Statement laid before the Commission:

STATEMENT ON BRUSHES AND BROOMS.

1. This being comparatively a new Industry in this Colony, we therefore need some considerable protection.
2. This Colony is eminently suited to growing material for the Manufacture of Brooms, and can be made a permanent Industry.
3. We advocate a high Tariff on the Manufactured Article and that all material used in the Manufacture be admitted duty *Free*.
4. The above would only be required until such time as sufficient material is produced locally.
5. Factories of all kinds should be fostered and everything possible be done to provide labour.
6. Material for Manufacturing brushes and Brooms should be carried at low rates.
7. If sufficient protection is given at the Ports, we do not need special Tariff on Manufactured goods on Railway.
8. South African material for manufacturing purposes should be carried at S.A.P. rates. Imported Material 50 per cent. more.
9. I do not agree with Bounty Fed Industries, as long as they are sufficiently protected at the Ports, but this must apply to all S.A. Colonies.

If we do not get the higher Import Duties, then we must have preferential Rates on Manufactured Goods (or close down).

15151. *Chairman*]. You wish to give evidence on the manufacture of brushes and brooms?—Yes.

15152. Have you anything to add to this statement?—No.

15153. What brooms are you making now? Are you making any quantity?—Yes. This month just closed we have turned out a thousand dozen.

15154. What kind of brooms?—Carpet brooms, what is generally termed the American broom.

15155. Have you been long in this industry?—About five years.

15156. Why do you ask for additional protection? Are you not doing well enough on the present duties?—No. We find we are practically confined to a very small area of the country.

15157. You started it on 7½ per cent., which is half the present duty?—Yes, but then we were only doing a small business and selling to the retailer, and we lost £900 in the first year in the business—actual money dropped. We had to import every bit of our material, but we saw there were some hopes of growing the material in this country, and we kept on. We are growing a large quantity now. Our brooms at present consist of about 60 per cent. of Colonial grown material.

15158. Yours is a local market?—Chiefly local. We are sending a little stuff to the Transvaal and Orange River Colony, but we find the import duties are not sufficient to enable us to do that. We have sent as far as Beira, but have never had a repeat order.

15159. What increase do you advocate?—My object in advocating a higher tariff is that the merchants tell us it does not pay them to spend the extra time in selling a Colonial article which is not known. A person asks for an American broom, and they say they cannot afford to spend the time in pushing the Colonial article. It seems to me the only way to stop that is to make the imported article so dear that they will only stock the one kind. If a lady asks for a broom the salesman asks "What price?" and she says "2s., or 2s. 6d.," and he brings them at that price, but if he brings the American, the Canadian, and the Colonial, it is going to take him much longer to sell them. They say "We cannot afford to push your goods when there is a known article in the market."

15160. What is your price compared with the imported broom?—The same price, naturally, to compete.

15161. You get protection in the freight ?—No. The freight is the same on one as the other.

15162. If you use 60 per cent. of Colonial material, you have no freight on that ?—No oversea freight, only railway carriage, The freight does not protect us, because we cannot manufacture as cheaply as oversea.

15163. They have to pack them ?—We have to in sending up-country.

15164. Do you know what duty there is in the other Colonies ?—I do not. I believe in Australia it is about 30 per cent. or 35 per cent.

15165. What kind of labour do you employ for the making of the brooms ?—White and coloured.

15166. Do they serve a term ?—Three years.

15167. Probably you would use Cape coloured youths ?—The off-coloured youth.

15168. The class of labour that would not go into highly skilled industries ?—Yes, We have some white, but we are chiefly using the Cape boy at the present time.

15169. You say you are growing straw in the Colony ?—Yes. It has been a costly experiment.

15170. I would like to know the prospect of its being grown abundently ?—We have 35 farmers growing it this season.

15171. You are giving employment to the farmers ?—Certainly.

15172. With regard to the broom handles, have you tried Colonial timber ?—Yes. We have never had many made from Colonial timber except a few from yellow-wood. It makes a very good handle, but is too expensive.

15173. Have you tried Cape poplar wood ?—We have asked the local people to make it, but at present they say they have no seasoned timber.

15174. Do you think it would be suitable ?—Yes. It is light, free from knots and very tough. A very strong wood is needed. Cape poplar is strong. We have imported poplar and basswood handles.

15175. If you get this additional protection you would be able to use Colonial wood ?—I am told this, that there is a firm at the present time experimenting on Colonial woods and are importing the machines necessary for making the handles out of Colonial timber.

15176. What is your opinion about the duration of the tariff ?—I think until such time as sufficient raw material can be produced to supply the local demands.

15177. You would be able to take the duty off then ?—Yes. I do not want to use a penny's worth of imported material if I can possibly help it.

15178. *Mr. Pyott.*] What is your suggestion of a duty ?—On the manufactured article I should suggest 30 per cent. against 15 per cent. at present.

15179. And 3 per cent. off for British manufacture ?—I have not given that a thought ; it was simply the idea of keeping out the foreign article.

15180. Do you make stable brooms as well as carpet brooms ?—Not at present, but another firm does. There are two other firms making brooms besides ourselves. We confine ourselves exclusively to the carpet broom.

15181. What is the 60 per cent. of Colonial material in the broom ?—40 per cent. of the selling price of the brooms is actual labour and 60 per cent. of the material used is Colonial produced material, that is taking ton per ton.

15182. You might tell us what the 60 per cent. material is ?—Colonial grown grasses.

15183. Purely grass ?—Yes, the material forming the broom.

15184. Broom corn ?—Yes, and other grasses.

15185. The 40 per cent. is made up of what ?—Imported material—that is, the best class for the outside finish, of American corn.

15186. You cover up the Colonial ?—Yes, but not in all cases.

15187. Your brooms are carried at the South African produce rate ?—No, at the 2B rate. It is about 20 per cent. less than second class.

15188. The American broom is carried at second class rate ?—If the merchants are honest, yes.

15189. You do not want to carry your brooms at the South African produce rate over the Colonial railways ?—No. I referred to the raw material.

15190. You get that to-day ?—Yes, but I understand there is talk of altering that.

15191. What is your suggestion ?—Just as I put it—that the South African produce rates shall be continued on the raw material.

15192. Do you want your preferential rates on your manufactured articles continued ?—No, provided we can get sufficient protection at the ports.

15193. *Mr. Tod.*] When you started this business did you use entirely imported stuffs ?—Yes.

15194. And you are taking steps to get it grown locally ?—Yes, 15195. Is there any way in which the production could be encouraged?—Last year there were only about four people growing it, and this year there are thirty-five growing it.

15196. You do not think there should be a protective duty on straw?—I think not. We are not touching the market. The raw material should be protected after we have got sufficient here to keep out foreign competition. We have to do something. We have to protect the farmer as well as the manufacturer.

15197. You want to encourage the production of the article in the Colony?— Yes.

15198. Do you not think the same methods which are encouraging the manufacture of your article in the country will encourage the growth of the raw material? —No. For instance we have a tremendous freight to pay on our raw material—150 per cent. on the prime cost—coming in, and the farmer in the meantime is protected by the amount we have to pay.

15199. You think that is sufficient protection?—In the meantime, until we can grow sufficient in the Colony.

15200. You are bearing that out by the fact that you get 60 per cent. Colonial material now whereas formerly you got none?—Yes. It will make a wonderful difference when we get the handles produced in the Colony.

15201. *Mr. Harlow.*] You wish to make it a thoroughly Colonial industry?—Yes, and I think it will be in a couple of years. We cannot produce string in the country; I have no hope that we will ever be able to produce that or wire.

15202. By your exertions you have produced the grass necessary?—Yes.

15203. Did you approach the Agricultural Department in any shape or form to assist you?—Yes. As assistance they asked us would we guarantee £25 to each man putting in ten acres, supposing it was a failure.

15204. They did not assist you at all?—No. I imported seed this year at my own cost and distributed it amongst the farmers.

15205. And the farmers have to take all risk of failure?—Yes, and we guarantee so much per ton for all they produce.

15206. How many people have you working for you?—Twenty-four.

15207. Have you any objection to the Commission seeing your factory?—I would be very pleased. It is in Warwick Street, Claremont.

15208. I take it you do not object to the preferential railway rates being taken away?—Providing we get the protection at the ports. It seems to me that is the best place to have it.

15209. Is there any prejudice against the Colonial manufactured article?—I do not know whether you have seen a pamphlet published by Mr. Lilienveld of Pretoria. They cannot afford to push the Colonial article as against the known article, it takes too long for salesmen to sell it. A person comes in and wants a tin of tomatoes, and is shown both the imported and Colonial grown. She says "I do not buy the Colonial stuff; and it takes twice as long to sell the Colonial article, because the other is known. I say shut out the foreign article.

15210. It is not because the value of the article is any less?—No. In any case I am prepared to give any merchant a dozen of our brooms to try on the same floors alongside a dozen imported brooms, and if they do not last do not buy them.

15211. *Dr. Viljoen.*] Do not some of the grasses grow wild here?—A certain proportion.

15212. Do you not have people within forty or fifty miles of Cape Town collecting them?—Yes.

15213. What do you mean by distributing the seed?—It is the broom corn.

15214. What would be the percentage of that material in comparison with the raw material which grows wild here?—About 40 per cent. is wild.

15215. There is any quantity of grass you are using for this. Do not you get it from the Palmiet River District?—Yes.

15216. Have you had any results from the seed you distributed?—Yes.

15217. Did you distribute it in the Caledon District?—Yes.

15218. And some in the Palmiet District?—Yes.

15219. Are you satisfied?—I do not think that is the best place to grow it. I am convinced that there are better places. I have a guarantee from one place to produce us 200 tons this year. This is not the wild material, but the broom corn from seed.

15220. Of course we have a lot of wild broom, and I do not think you have quite exploited the whole places. You will find by a little publicity you may get a much more suitable broom from other parts of the Caledon District lower down on the coast?—I do not know. I have men out looking for this stuff.

15221. Did I understand you to say that the poplar-wood would be a strong handle? Yes.

15222. Would not that be absolutely against all the experience of the people in the Colony that poplar-wood is a most breakable, soft wood?—No; it is not the experience of the people in the Colony. If so, how is it it is always used for the bottom plank of carts doing stone work—because it is the toughest and most fibrous wood in the Colony.

15223. *Mr. Kayser.*] Your difficulty seems to be in disposing of your manufacture? Chiefly that.

15224. You complain that the merchant says it does not pay him to sell your goods?—In preference to the others.

15225. Why then do you not send round to salesmen and sell it yourselves?—It would entail considerably more expense to us, and we are manufacturers.

15226. Have you tried selling to the retailers? If we sold to the retail, we would make too many bad debts, and being manufacturers we prefer to deal with the merchants.

15227. And therefore you went to the merchants?—Yes, and not only that but we are manufacturers, and a manufacturer can never expect to make a profit unless he is doing a tremendous turnover.

15228. Are you giving the merchants sufficient inducement to run the risk of those bad debts?—We sell these for the same price as they are imported for. The difference between the price we sell at and the retail price is about 80 per cent.

15229. You have no difficulty in disposing of your manufactures?—We could dispose of at least three times as many as we make now, providing the imported article is shut off by tariff.

15230. You make a thousand dozen a month now?—Yes.

15231. Is the demand in the country very much in excess of that?—Yes.

15232. In what parts of the country are your brooms sold—any in the Eastern Province?—No.

15233. You would be surprised if I told you I saw them there, and they were better quality than the American?—We have not sent any to the Eastern Province that I know of.

15234. The merchants you have sold them to may have done?—Yes. We have had several inquiries from Port Elizabeth and East London, but have never been able to compete to get them there.

15235. The freight blocks that?—Yes.

15236. The merchants would send them round?—I would be surprised to find our brooms went to the Eastern Province.

15237. How do you pack your brooms?—In canvas.

15238. Do you know that is not done by the importers?—They pack them in cases.

15239. Not in small quantities for distributing?—We consider the merchant must have his goods in better condition than the retailer. It seems to me if you do not pack them you must bind them tightly with cord, and that spoils the shape.

15240. The imported are sold tied with twine?—They would not take them from us like that.

15241. You say you want extra protection and at the same time you tell us that some merchant has already imported machinery on purpose to make handles for you?—Yes.

15242. Without any change of duty?-He knows this Commission is sitting. He said, "We have a lot of small timber which could be used up as a by-product in our spare time, and it would perhaps be worth while our getting out one machine, and we will try the experiment." A local man has tried the experiment of making us handles, and given it up, saying it does not pay.

15243. What protection have you in the freight on brooms?—They come the same as ordinary material—15 per cent. duty.

15244. What do a dozen brooms measure?—They run about 35 dozen to the ton.

15245. If I told you about 13 dozen you would not say I was wrong?-Absolutely. If I had a catalogue here I could show you. The manufacturer in New York gives the dimensions of his case, and says there are 35 dozen packed in a case, and the case is a ton.

15246. Will you send us those particulars, telling us the freight?—It is about 33 per cent.

15247. I want you to send in the quotation of measurements you have given?—I will.*

15248. You have already said how long you want the tariff to last?—I have not defined the time, but it should be until we can produce enough material.

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*120 dozen Brooms—6 cases—297 cubic feet.
1 case—1¼ tons for 30 dozen.
Protection in freight 50 per cent.

Chemists: Medicinal, Toilet and other Preparations, Tinctures, &c.

George James Bruce, Manager of the South African Branch of W. E. Woods & Co., Proprietary, Ltd., examined upon the following statement submitted to the Commission.

1. That under the present Customs Tariff distinct advantages are secured by foreign medicine manufacturers over local manufacturing chemists who use the products of South Africa.
2. That the present duty of 25 per cent. on patent and proprietary medicines other than pills, is quite inadequate to encourage the establishment of local medical laboratories for the dispensing of such medicines as the bulk of the people buy.
3. That the present tariff is full of inconsistencies affecting the local manufacturing chemist adversely.
4. That the present Railway Management unduly handicaps the local manufacturer against his foreign competitors.
5. That the Railway Management acts against the country settler's interests in classing certain locally made medicine using African products in the highest freight scale while allowing certain foreign imported medicine to go over the railways at a lower rate.
6. That in the interests of country settlers, medicines should travel at the lowest rates on the railways, as medicines are not bought except to relieve suffering and with the view to improve health, and the health and safety of the people should be a first consideration with the Government.

15249. *Chairman.*] You represent W. E. Woods and Company Proprietary, Ltd.?—Yes. I am the Manager for South Africa of W. E. Woods & Co. Proprietary Ltd.

15250. Do you wish to make any further statement?—Yes. I would like to enlarge on the first paragraph of the statement which I have supplied to the Commission, "that under the present Customs Tariff distinct advantages are secured by foreign medicine manufacturers over local manufacturing chemists who use the product of South Africa." I would like to say that we are a firm of manufacturing chemists doing business here in Cape Town and we are handicapped by the things set out there. First of all, under the present tariff medicinal preparations have to pay a duty of 25 per cent. *ad valorem.* If that medicine is made in England, even should it be made in a sweating den in London or Manchester, they get a rebate of 3 per cent. from the 25 per cent. *ad valorem.* We manufacturing locally are asked to pay 25 per cent. nett on our ingredients.

15251. You get your things at 22 per cent.?—No; oil of perpermint pays 25 per cent. We make Woods' Great Peppermint Cure. One of our chief ingredients Oil of Peppermint is produced in the United States of America, and therefore is not subject to the 3 per cent. rebate. Then if we prefer to use Cape vine spirit in the manufacture of tinctures used in our laboratory, we have to pay a further 6s. a gallon, and the cost of the tinctures is increased to us by about 50 per cent. besides, of course, our paying local rates for printing, labels and local ingredients which we use largely. Further, if we send our locally made medicine into Natal, the Orange River Colony or the Transvaal we have to pay a further 6s., 7s. 6d. and 9s. 6d. duty on the bulk of our medicine, although it may only contain 4 per cent. of alcohol; and we are only allowed a rebate of 6s. a gallon on the actual amount of alcohol in the tincture which goes to make up the medicine. The foreign manufacturer not using Cape vine spirit in any way, but using an inferior spirit, say, made from shale oil, goes right through at 25 per cent. There is a handicap against any one using the product of the Cape vine in the manufacture of medicines in South Africa. I would urge that, in order to assist us in manufacturing medicines in Cape Colony, and also to assist the wine farmer in finding a market for his product, a high duty be placed on all foreign-made medicines, whether of spirituous composition or not. The result would be to enlarge the market for locally-made tinctures. Tinctures being largely composed of Cape vine spirit would serve two useful purposes; it would help the local manufacturer of medicines and increase the market for Cape vine spirit. Then I think the duty on all liquid medicines should be fixed at per gallon, instead of a percentage of the invoiced value, on the same principle as in the case of pills being charged by weight. Pills in bulk are charged £1 per pound weight, and the effect of that has been that three large pill manufacturers have opened a factory in Cape Town since that duty was put on. If you put 25 per cent. on the invoice value of medicines, you can be beaten every time by the foreign manufacturers—by Yankees and Germans and others sending medicines to this country. The only safe way is to fix the duty at per gallon of the stuff, fixing it at 20s. or 40s. a gallon on the medicine coming in. They can beat you in declaring the invoice value, and there is no doubt a great deal of that goes on in all parts of the world. Then you have to be careful in fixing a duty on pills—making it £1 per pound. Under the present tariff, if a man flattens a pill out and calls it a lozenge or a tablet or a pep, or something of that kind, he escapes the £1 per pound duty. There is another handicap I would like to point out which we suffer under. If we use peppermint oil, which is the most expensive kind of oil, to make up our medicine, we pay 25 per cent. duty, but if another firm chooses to use a very inferior kind of oil—such as palm oil—he gets it in free. There is an inducement to use the most inferior stuff in the making up of medicine under the present tariff. Then there are inconsistencies in the tariff. If a farmer imports medicine for his horses, cows or dogs he does not pay more than 3 per cent., but if it is medicine for his wife and family he must pay 25 per cent. or £1 per pound for pills. That does not allow us a chance to manufacture for his horses, cows or dogs. In Clause 3, No. 53, he pays 25 per cent. on medicines. In Clause 4, No. 117, the horses' medicines are 3 per cent. *ad valorem.* A medicine for a disease in a horse would come in under the 3 per cent. clause, but if it was wanted for the farmer's wife he would have to pay 25 per cent. If we manufacture these articles locally we have to pay 25 per cent. on the ingredients, but the lines they give come in at 3 per cent., as you see. There are hundreds of ingredients which might be used in making up remedies for stock and disinfectants.

15252. *Mr. Pyott.*] You are not pressing that question ?—We are pressing either for a heavier tariff on stock remedies, in order to give the local manufacturer a chance to make them, or that consistency be observed by enabling the ingredients to come in at less. Another inconsistency of the tariff is that if a farmer's wife prefers to buy Woods' Great Peppermint Cure, for instance, she has to pay her proportion of the 25 per cent. duty, but the soldier's wife, buying a Yankee composition, gets it in absolutely free. She can get any foreign medicine in ; all supplies for the British Army come in free. I have taken the trouble to ascertain by going to the depôts at Pretoria and Bloemfontein, and find that the foreign medicines do compete with mine. Then I contend that the present railway tariff is most unfair to the local manufacturer, and I see that the railway tariff comes within the scope of your inquiry, so that I would like to say something about it. It is most unfair that certain foreign made manufacturing chemist's lines travel over the railways at a low rate, while the products of the local manufacturing chemist are charged at the highest possible rate.

15253. *Mr. Tod.*] Such as ?—Take a weight of 100 lbs. for 500 miles. For Wood's Great Peppermint Cure I am charged 9s. 2d., Moller's Cod Liver Oil goes over that distance for 8s. 4d. If a man uses imported brimstone and treacle, he gets it for 8s. 4d. Other chemists' lines, such as Eno's Fruit Salts—which is a foreign line here, Rose's Lime Juice, Florida Water, Hair-wash and so on, also imported Ales and imported Condensed Milk, get over at 8. 4d., while I have to pay 9s. 2d. Perfumery goes at 6s. 8d., and I have to pay 9s. 2d.

15254. *Mr. Kayser.*] In the Cape Colony ?—Yes, 100 lbs. for 500 miles. Then the local manufacturer deciding to do his own travelling, and wanting to travel first-class, must pay a first-class fare every time, but a Yankee or other foreign firm sending in three travellers to compete with us, can get first-class tickets for second-class fares. The explanation of that, is, that an employer cannot travel first-class at second-class fare, but an employer in America sending three travellers here can send them first-class for second-class fare. Then I contend that medicines should travel over the railways at the lowest rates possible. Not only are we getting our goods over at least the same rates as these foreign lines I have mentioned, but we are called on to pay higher rates though manufacturing largely from Colonial products, and we think we should get some part of preference if any preferences are given.

15255. *Chairman.*] Do you mean to say that you pay more than the general class of goods ?— I pay more than the goods I have mentioned.

15256. *Mr. Pyott.*] On Wood's Peppermint Cure being imported ?—The chances are I would be able to arrange just as people like Peter Moller's or Enos seem able to get it over at the 8s. 4d. rate, instead of as I am classed at 9s. 2d.

15257. If a medicine the same as yours is imported it pays 20 per cent. higher than you over the Cape Government Railways ?—It is not a fact. I pay more than the lines that are mentioned.

15258. *Chairman.*] But you do not pay more than the general class of goods. You take these few exceptions ?—Because these goods are specially excepted in the railway tariff. If I manufactured a line to oppose Eno's Fruit Salts or Rose's Lime Juice, mine goes at the local chemists' medicine rate of 9s. 2d., while that of my competitor goes at 8s. 4d., which is unfair. The result of this is that the country settler preferring to support the local industry has to pay for his preference. If he wants Wood's Peppermint Cure in preference to these other things he has to pay more money, and we think it should be the other way about.

15259. Is it not rather stretching the point ?—It comes to a very small percentage on a patent medicine. I am taking 100 lbs., which would be a storekeeper's or chemist's lot, for 500 miles. If I pay 9s. 2d. and the other man pays 8s. 4d. I am handicapped.

15260. To a small extent ?—Yes. Then I contend that the local manufacturing chemist should get his medicines over the railways at as low a rate as possible, because people do not order medicines unless there is suffering or sickness. Then they are not luxuries. But we find that medicines locally manufactured are classed in the highest class—that is No. 1—whilst explosives, like dynamite and blasting gelatine, are carried at the 3s. 8d. rate, and I contend that these are much more dangerous goods to convey on the railways. There is no reason why my medicines, which go to relieve suffering in the country districts, should be charged 9s. 2d., whilst mining explosives go at 3s. 8d. I quote here a lot of mining lines which are carried at 3s. 8d. rate while we pay 9s. 2d. ; and I contend that the railways are not run in an impartial way when that state of thing exists.

15261. You cannot compare these things, because the quantities vary so, why ?—I send tons of stuff, and explosives don't go in greater quantities, I never send less than a ton, as far as I know, sometimes many tons. There may have been exceptional cases where something less than half a ton has gone, but I cannot see why ton lots should be charged small medicine bottle rates.

15262. At the same time I think you are rather making a joke of it in comparing your manufactures with truckloads of stuff like explosives. You make an extreme comparison. Have you any further points ?—No, it is no joking matter to me to have to face such unfair handicaps. I would like to emphasise the points I have mentioned in connection with the Railway Department. There seems to be no reason why we should be handicapped by our goods being put in the first class whilst other medicines are in a lower class ; and there is no reason why I should have to pay first-class fare for riding first-class while the representative of a foreign firm can ride first-class at at second-class fare. There is no reason why locally manufactured medicines should be singled out to be put on the highest freight while goods which are more dangerous to all concerned are carried at the very lowest rate.

15263. *Mr. Kayser.*] Have you been in this business long ?—Not very long—about two years.

15264. Was that when this business was first started ?—I was in it before it was started in Cape Town.

15265. As a matter of fact, the business started in Cape Town when the new duties came into force, did it not ?—No ; it was six months before.

15266. You appear to represent one particular article. Where was this article originally manufactured ?—In New Zealand.

15267. As you are at such a disadvantage would it not pay you better to send the goods from New Zealand ?—I am just considering the advisability of closing up my factory here unless I get some relief on these points ; it will pay me better perhaps.

15268. You came here because you thought the tariff was an advantage ?—No ; it was because we thought we would get as fair conditions in this country as elsewhere.

15269. You manufactured here because you thought you could manufacture to advantage, naturally ?—Yes. We did not expect preference to be given to foreigners in that respect.

15270. How much of your manufacture consists of local ingredients ?—About 73 per cent.

15270A. What is the formula ?—I cannot disclose the formula, but the medicine is largely made up from products of Africa.

15271. Is there 73 per cent. of local plant life ?—Not quite ; there is 73 per cent. of local products altogether.

15272. Could you tell us how much actual South African product there is exclusive of labour and material and water ?—Something over 60 per cent.

15273. You made a great point of the fact that you were charged 25 per cent. duty, whereas the same article from England was charged 22 per cent. Is that correct ?—I am charged 25 per cent. on oil of peppermint, which is one of the main and most expensive ingredients.

15274. Your objection was that the same article from England was 22 per cent., or from another country 25 per cent. ?—Yes.

15275. As a matter of fact, this particular oil of peppermint cannot be got elsewhere ; it can only come from another country than England ?—The largest peppermint distilleries are in the United States, but I have yet to learn that there are none in England.

15276. If you imported from the United Kingdom, you would get it at 22 per cent. ? —Yes ; if it were manufactured there.

15277. So the tariff is the same for you as anyone else ?—Except benefitting the man who uses the inferior article and gets that in free.

15278. I did not quite follow you where you said you had to pay 6s. a gallon more for Colonial tincture, I know you refer to the excise ?—Yes, 15279. Is not the Colonial article, even with the excise, cheaper than the imported article, plus the duty ?—We find the Cape vine spirit is much better for our purpose.

15280. And it is cheaper than the imported article, notwithstanding the excise of 6s. ?—I cannot say, because I have been using the Cape spirit all along. I am not prepared to say anything about relative values, therefore I have not been following the market.

15281. You said flattened pills could be imported at a lower rate of duty ?—If made up as a lozenge. Put the same material together and call it a lozenge. If I make up a pill of a certain number of ingredients, and make it round, I pay £1 per lb., but if I use exactly the same ingredients, and call it a lozenge—and ask people to suck it in their mouths instead of swallowing it at once—it pays the lower rate.

15282. Would it be accepted as a lozenge ?—Yes ; your Customs expert says so. It is a lozenge then, but it is the same material as the pill.

15283. Your argument is that medicines should travel at a lower rate than other goods on the railway ?—Yes, anything to releave suffering should go at a lower rate than luxuries or dangerous goods.

15284. Irrespective of the question of what quantity was forwarded ?—That would also be a factor to be taken into consideration.

15285. Therefore if the railway have more labour, and it requires more care in looking after medicines, they should travel at a higher rate. Do you think a case should go at the same rate as a ton ?—Certainly, in instances of this kind. Supposing I sent out a hundred single cases, each weighing 1 cwt., in different directions, and another man sends a ton of stuff in one direction, I think I should have the same rate.

15286. Notwithstauding the extra labour ? —Yes ; I send more.

15287. You also made a point with regard to the commercial traveller's ticket. Of course it is quite clear the principal could not have it. Would you argue that the facilities now given to commercial travellers should be withdrawn, and that they should pay the higher rate ? —No ; but I do not think the local manufacturer going out to push his own business should have to pay more than the representative of a foreign firm ; I think he should get the same rate as the foreigner representative.

15288. Why should an employer get an advantage over a citizen ?—Why should the foreigner get the advantage ? I will give a reason for my contention—because the local manufacturer employes labour and spends money in the country, whereas the foreign traveller comes here to shoot through the country and take orders and shoot out again.

15289. The local manufacturer gets the same benefit if he sends an employee out ? —Suppose he is a small manufacturer and has to do his own travelling, he does not.

15290. Has the Colonial manufacturer the same facility on the railway with regard to his employees ?—Yes. That is only if he is a big man and can employ travellers.

15291. Can you show me that in the tariff book ?—No ; they do not put it in that way there. These injustices are usually carefully covered up.

15292. A small manufacturer has the same facility ?—No ; he cannot travel at the reduced rate.

15293. Will you show me in the tariff book where the small manufacturer is at a disadvantage ? I am only asking in reference to commercial travellers ?—The point is that the small manufacturer has to pay first-class if he wants to ride first-class and a representative of a foreign manufacturer can go first-class for second-class fare.

15294. *Dr. Viljoen.*] What do you mean by "liquid preparations" ?—Any liquid medicine.

15295. Will you mention one ?—Angier's Emulsion, Chamberlain's Cough Mixture.

15296. At present is it a specially rated article ?—There is 25 per cent. less 3 per cent. on British medicines.

15297. *Ad valorem ?*—Yes.

15298. Yon want a duty per gallon ?—Yes.

15299. Is not one of the reasons the fact that it is so difficult to arrive at the price of an article like that ?—Yes, and if the duty is so much per gallon you know how it stands.

15300. It is difficult because the thing fluctuates so much ?—Yes.

15301. It would not be so open to abuse if the duty were put on the gallon ?—No, it would not.

(I must say I agree with the witness in this.)

15302. When you say 73 per cent. of the ingredients in the manufacture of your local things are Colonial, how do you arrive at that ? Are you taking the spirits of wine too ?—Yes.

15303. The vine is also a plant ?—Yes.

15304. Did I understand you to say you proposed to increase the duty on tinctures?—No. I said increase the duty on all foreign medicine makers who are not using our Colonial vine spirit, in order to make a larger market for the local spirit here in making medicines.

15305. *Mr. Scott.*] Do you manufacture any other medicines than Wood's Peppermint Cure?—We intended to manufacture several lines, but the present conditions of the tariff will not allow us and we are not manufacturing any other than that article.

15306. Your scope is just confined to the one article?—Yes, here in Africa. We manufacture other lines in our other manufactories.

15307. Have you suggested any increase in the tariff?—I suggest at least 20s. or 40s. a gallon should be put on foreign spirituous mixtures—in fact any mixture.

15308. That might be a hardship, unless you enumerated the special medicines?—I would not like to enumerate special medicines; I think it should be on the lot generally.

15309. If you did that you might put the duty on a medicine which was very essential to health?—The result would be that they would manufacture it locally if there was a demand for it here as in the case of the pills. The pill people manufactured locally as soon as you put the £1 per pound duty on the pills. They have a manufactory in Sir Lowry Road now.

15310. Suppose the preferential railway rates are done away with?—It would be a fairer thing all round I think. I am very much opposed to them.

15311. Are you in favour of the preferences being done away with?—Certainly.

15312. Would you then be satisfied with the suggestion you make in regard to the tariff?—Yes.

15313. Is there any inspection of medicines made in the Colony?—Our goods are analysed in the Orange River Colony, the Transvaal and Mozambique—Portuguese territory. In the Orange River Colony they analyse it for some Customs purpose, and the same in the Transvaal, and in Portuguese territory it is analysed before being allowed to proceed.

15314. Is it analysed in Cape Colony?—I have never heard of it.

15315. One reads a good deal about inferior medicines in the Colony. Do you think it is necessary there should be some inspection?—This analysis is always a farce in our experience. We have had our medicine analysed dozens of times and have had no two analyses the same. Apparently by the ordinary methods of analysis they can never get at what is really in the medicine. Our medicine was analysed three times in South Africa, and the three results—from exactly the same ingredients—were totally different. They lost sight of some ingredients, and found something else which was produced by mixing certain ingredients.

15316. That only applies to Wood's Peppermint Cure?—That would apply to most things.

15317. *Mr. Harlow.*] Do you have your printing done in the town?—Almost the whole of it.

15318. Do you find the prices are fairly moderate?—Yes. I have recently been doing more and more of our printing locally, because we spend many thousands of pounds in printing in a year, and some of our printing is of a most difficult class for a printer to deal with; I have recently been getting it done successfully in Cape Town. The price has rather astonished me. Of course in England we might take advantage of a fight between the Trusts such as is on now, and get the printing done at slightly lower rates, but in comparing ordinary conditions we can get the best class of printing done by the local houses, such as the "Cape Times" and "Argus" in Cape Town, the "Eastern Province Herald" in Port Elizabeth, and the "Volkstem" in Pretoria. They turn out printing good enough for any manufacturer in the country.

15319. Do you deal in boxes for packing out materials?—Yes.

15320. Does the tariff on those affect you?—Slightly. I prefer to get all my stuff made up locally if possible, and at the present time I think the low tariff on cut timber seems to be an inducement to the foreign seller to send cut up boxes to this country to compete with the man making boxes locally. I can pay all the duty that has to be paid and also the freight on my boxes from New Zealand and still land them a little cheaper than I can get them done locally.

15321. You do not express an opinion as to whether that duty should be taken off or not?—I would prefer to see it higher. There would be more people employed and more to sell your medicine to.

15322. How many people do you keep employed in your factory?—It fluctuates. Now I have only about ten hands, and in the winter season the most I have had so far has been 22.

15323. Have you any imported labour?—None whatever. We employ only local white hands; I usually prefer Afrikanders.

15324. *Mr. Pyott.*] What is the tariff on boxwood ?—I cannot say.

15325. Do you know that there is anything on it ?—I know that there is not enough.

15326. You mention the present low tariff on boxwood. Have you any idea what it is ?—I do not think there is anything on timber cut up to knock boxes together.

15327. *Dr. Viljoen.*] And still you propose to make it higher ?—Yes.

15328. You are making a statement on something you do not know anything about ?—Indeed, I import many thousands bundles of boxwood. I think duty should be 40 per cent. or 60 per cent.

15329. *Mr. Pyott.*] You mentioned palm oil in comparison with peppermint oil ?—Yes.

15330. What was your object in bringing that forward ?—Because foreign firms use very inferior materials in medicines, and palm oil is suggested in the Customs schedule.

15331. Do you mean they use palm oil where you use peppermint oil ?—I do not say they do, but a disreputable man in a trade will use the cheapest ingredients he can get, and it is possible to make a medicine go with palm oil.

Harry Evans (of Messrs. Petersen, Ltd., Chemists), examined upon the folllowing suggested alterations in the tariff of the duties on Drugs Medicines and Chemists' goods.

Class 3, No. 53.

Instead of clause as printed in the Tariff a new clause to read as follows :—

"Medicinal preparations, patent or proprietary, including all preparations packed or partly packed for sale unless containing more than 3 per cent. proof spirit when if the Spirit Duty amounts to more than 33 1/3 per cent. *ad valorem* the Spirit Duty to be charged.

Class 4, No. 56.

Ambulance Material, etc., to be 15 per cent.

Class 5, No. 151 to be 15 per cent.

Thorley's Food for Cattle in bulk to be 33 1/3 per cent.
Thorley's Vitum in bulk to be 33 1/3 per cent.
Thorley's Ovum in bulk to be 33 1/3 per cent.
Above items not in bulk to be 33 1/3 per cent.

Toilet articles, Perfumery, Cosmetiques, Dyes, Powders and other preparations for toilet use to be 33 1/3 per cent. unless containing more than 3 per cent. proof spirit in which case the Spirit Duty to be charged if greater than 33 1/3 per cent.

15332. *Chairman.*] Do you wish to add anything to this statement ?—The only addition I would like to make is that the present duty on tinctures, which was put on at the last Customs Convention, should be continued, as we have found it beneficial to the industry here.

15333. In reference to that, have you made any tinctures here since the last Convention ?—Yes.

15334. Do you use much Colonial spirits ?—Yes.

15335. We have it in evidence that, comparatively speaking, very little colonial spirit has been used but a large quantity will be used in the near future ?—When the new duty was put in force everybody knew beforehand that it was coming on, and they laid in large stocks under the old duty. If I had the returns here of what we paid to the excise you would find our manufacturing is increasing month by month. I have the figures of the principal chemist of the English Government laboratory, and he adds : "With regard to medicinal spirits examined for drawback, it is noted that the South African tariff charges have led to a decrease of the number of proof gallons of spirit exported, 135,771 as against 143,255 the previous year." That is a difference, roughly speaking, of 8,000 gallons less exported from England to South Africa than the previous year, and over and above that you have to consider that the export of tinctures has been increasing in England every year until the South African Tinctures tariff was put on —that is there has been a great percentage of increase each year—and, consequently, apart from the 8,000 gallons less having come here than in previous years there is also the increase which ought to have come naturally which has also been knocked off; so that I estimate that the amount that would have been sent here during the period 1906, under the old duty would have been, approximately, 12,000 gallons.

15336. What amount of Colonial spirit do you estimate will be used in the next twelve months for this ?—That is hard to say. I can give you an idea what our own firm would be likely to use.

15337. We had an estimate given of 25,000 gallons ?—You are talking about proof gallons ? We will take it as proof gallons, because it is easier to speak of it in that way. I think that is a very low estimate, because from our own point of view I think I could safely say that we alone, as one firm, would use 8,000 or 9,000 gallons.

15338. Where do you get the Colonial spirit ?—We buy it in the Worcester and Stellenbosch districts.

15339. Why do you want to increase the duty to 33⅓ per cent.? Is not the 25 per cent. sufficient?—Personally speaking, I am not very strong on that, but I notice our friends up North have gone in for the same thing; and I think if we are to be a happy family in the future it is just as well to be unanimous on the tariff even.

15340. Are they not against the increase in the Transvaal?—Not that I know of.

15341. The only protection they want is against the Cape?—I believe they are willing to join the Cape on this. The point is not so much the 33⅓ per cent. as the definition. It is this way. At the present time all proprietary medicines in which a man claims to have a trade secret or anything of that kind, which cannot be made by other people, are supposed to be 25 per cent., but when it comes to the application of that it is a very different thing. Take an ordinary drug which comes in under a fancy name, paying either 12 per cent. or 15 per cent., whereas I take it the meaning of the tariff was that any man claiming the sole proprietary right to any drug or article of medicine has to pay 25 per cent. In the old definition he slips out of that, and brings it in as an ordinary drug. The drug *veronal* is sold at about 2s. an ounce, because it happens to be a man's proprietary article, and he has advertised it in the Home country and the European newspapers. You can buy that particular drug under a different name—*hexamethelene tetramine*—at about 2s. 8d. a pound. It means this that that man is bringing his own proprietary line in, which people have to pay through the nose for, as a strictly proprietary line for the simple reason that he has copyrighted and registered the title; and because it happens to be a drug, he brings it in as a drug. I take it the old clause meant all proprietary goods of that description should pay 25 per cent. *ad valorem*; and this is the new clause drafted to try to meet the case. Tablets can be made here, but we cannot use the word 'Tabloid' as it is a proprietary name.

15342. *Mr. Pyott.*] You recommend a change in clause 53?—That is what the chemist would like.

15343. *Chairman.*] Thorley's Food for Cattle comes in free at present?—Free if in bulk and 25 per cent. if in small packages. We make a food for cattle, or rather cattle spice, which is practically the same thing as Thorley's. Thorley's comes in by the hundredweight at 3 per cent. We have to pay 2d. a pound on the spices we import for what we make for the farmer here, and Thorley's is practically all spices. He gets the stuff in free, and we, doing the labour at this end, have to pay 2d. a pound.

15344. The only point is you are interfering with the farmer?—Why not let us have the spices free?

15345. Would you have the spices in free only if they are for this special food—for chemists only?—You could hardly draw the line. The funny part, again, is that the farmer can get medicine for a litter of pigs for nothing, but if he has a family and wants medicine for them he has to pay duty on it.

15346. This is a recommendation from you?—Pointing out an anomaly.

15347. You are not pressing for the 33⅓ per cent.?—No, it is simply to fall in line with the others.

15348. Could you advise some means of introducing an Adulteration Act, or inspection of these proprietary medicines?—I should think it would be very advisable, in fact the Medical Officer of Health has taken that matter up just lately.

15349. You think it is necessary?—Quite necessary.

15350. With regard to Mellin's Food and similar foods for children, are they manufactured here?—Very few.

15351. The duty at present is 15 per cent.?—Yes.

15352. Would you make any recommendation there?—We should leave it as it is.

15353. You do not think that is probably high enough for poor people?—Personally speaking, there are not many infants' foods I agree with at all.

15354. Mellins' Food?—That is a very good food. It was supposed to be the only one five or six years ago and now it is scarcely sold; I do not sell a tenth part. Allenbury's has taken the place, and so they go round.

15355. *Mr. Tod.*] Would you like the pigs' medicine levelled up to that of the children, or the other way about?—We would make no recommendation with regard to the children's; we are quite willing to leave them as they are.

15356. *Mr. Pyott.*] You are asking for a higher duty on farmers' stock medicines?—All we want is to correct an anomaly. If Thorley's came out here they would have to pay 2d. a pound on the material, but because they do the work at Home they get it in free.

15357. *Mr. Kayser.*] Does this suggestion come from the chemists and druggists generally in Cape Town?—It is practically the same suggestion which we adopted at the Chemists' Section of the Chamber of Commerce. I am a member of the Manufacturers' Association and also the Chamber of Commerce, and this is practically the resolution as drafted by us in the Chemists' Section of the Chamber of Commerce about a month ago.

15358. This suggestion is generally the opinion of the majority of the chemists and druggists in Cape Town?—Of the Chemists' Section of the Chamber of Commerce.

15359. Are most of the chemists members of the Chamber of Commerce?—No; because most of them are not manufacturing chemists. This is the opinion of the manufacturing chemists.

William Edward Crow, Pharmaceutical Chemist, examined.

15360. *Chairman.*] Will you state the points you wish to bring forward?—I am a pharmaceutical chemist in retail practice at Sea Point, and have been for three-and-a-half years. At the fourth meeting of this Commission a question was put by one of Commissioners to Mr. Evans, the answer to which is, I think, calculated to mislead not only the Commissioners but the general public. The question was put by Mr. Kayser, "Has this suggestion with regard to the 33⅓ per cent. duty been adopted by the chemists generally?" The answer was, "This is the same suggestion that was adopted by the Chemists' Section of the Chamber of Commerce?" This was not a straight answer to the question, because from the enquiries I have made I find this Chemists' Section of the Chamber of Commerce was simply five men who represent five firms for the most part concerned in the wholesale trade only. May I take it that a suggestion has been made to this Commission that the import duty on proprietary medicines should be increased from 25 per cent. to 33⅓ per cent.

15361 Yes?—With regard to that duty, I think if you could limit the 33⅓ per cent. duty to medicines which are obviously downright quackery it would be a good thing, but if you decide on a general 33⅓ duty it would include a lot of preparations which would come under the catagory of proprietary medicines, which are in no sense of the term quack medicines, and which are largely prescribed by medical men and used by the public in cases of sickness and in cases of misfortune.

15362. *Mr. Tod.*] Such as?—Sanatogen—a preparation which is the product of a laboratory in Germany. It is only made in Germany, and it would not be too much to say it will never be made in this country, and in all probability will never be made outside the continent of Europe. All that is used here at the present time is derived from Germany, and it pays 25 per cent. without any rebate at all. It comes within the category of proprietary medicines, and from a Customs point of view is classed with a lot of secret medicines whose virtue for the most part—you might say wholly—depends on the secrecy of their composition.

15363. Can you suggest any means by which the Customs could differentiate?—I do not see how it could be done. Then there is the preparation Hommell's Hæmatogen and Uricedin. There is a large number of preparations not so largely used, but they are rather costly. A small bottle of Uricedin is retailed at 5s. a bottle, and patients are recommended to go on with it for three or four months. I think it will be a distinct hardship if the duty is raised from 25 per cent. It will not affect me, because I am not connected with the wholesalers, and the views I express now are, I think, the views of the public with whom I come in contact in the course of my business.

15364. *Chairman.*] I suppose you would also oppose any increase on tinctures?—No. I have got a note about that. I am strongly in favour of the alcoholic duty on the tinctures.

15365. Do you want the duty on tinctures increased? Some of the druggists say it cannot be manufactured here, or the druggists would be in the hands of two or three men in the country, and they cannot depend on the tinctures from these men?—I am in favour of an increase, but I have a suggestion to make in regard to the incidence of that duty. At the present time alcoholic tinctures and what we call galenical preparations, generally containing alcohol, are charged 20s. a gallon, which is 2s. per 16 ounces. Under that item a tincture which is made of 90 per cent. alcohol by volume, or, as it is expressed for excise purposes, containing 150 per cent. proof spirit, pays exactly the same duty as the unfortunate galenical preparation which contains only 3½ per cent. Any spirituous preparation containing more than 3 per cent. of proof spirit is charged at 20s. a gallon. Preparations coming in like tincture of myrrh, which is made of the strongest spirit except absolute alcohol—containing 158 per cent. of proof spirit—pays exactly the same duty as a tincture containing only 5 per cent. of proof spirit. I ask the Commission to remove that anomally by allowing alcoholic preparations to come into the Colony at an *ad valorem* duty. I suggest 15 per cent. and 15s. per proof gallon. You will then be getting a duty on the drug used in the preparation of this tincture and getting your *ad valorem* duty as well, so as to protect the man wishing to make these preparations locally. At the present time a man is being charged for alcohol which he does not bring into the Colony. It is not fair. Of course at the present time you have no *ad valorem* charge. An article the cost of which is very trifling on the other side of the water comes in and is being charged 20s. a gallon, and another article which is perhaps twenty times the price on the other side, and containing a far greater quantity of alcohol, pays the same duty. I do not think there would be any practical difficulty with the Customs in working this. The 15 per cent. *ad valorem* will cover the drugs. Take tincture of myrrh. The gum myrrh, produced on both sides of the Red Sea, is shipped to London and made into tincture, 4 ounces to the pint. That would be 2 lbs. to the gallon. That would be sent out in bond in England. That would be saddled with a duty of 15s. per proof gallon. It would bring the duty up to about 24s. a gallon on that particular preparation, which would protect to the fullest extent the man in the Colony wishing to make his own preparation.

15366. How would the Customs define it?—At the present time, in the case of a preparation like that, it must be of a standard strength to comply with the British Pharmacopœia. All invoices would specify the strength of that preparation, and on any consignment of a preparation containing alcohol the Customs would easily be able to work out the quantity of alcoholic duty to be paid. It might be a little trouble at first, but I submit that this proposal is fairer than the other one. In order to encourage the manufacture of these articles locally, I would suggest to the Commission that crude drugs which are used in the manufacture of these tinctures should come in absolutely duty free. If a cask of myrrh was imported here from London to be used in pharmaceutical preparations of myrrh the crude article should be introduced duty free, or with a merely nominal duty, and with the alcohol produced in this Colony such preparations could be made here equally as well as any made in the Old Country. That is a point I wish to impress strongly upon the Commission—that spirit is being produced of the most admirable quality, and admirably suited for any pharmaceutical preparations we are called upon to handle. With regard to the proprietary medicines which contain alcohol, and which are now coming in under the 20s. per gallon duty, I would like to point out to the Commission that the alcohol is introduced in those preparations merely as an antiseptic and as a preservative, to prevent fermentation. The alcohol in that preparation is quite a different thing in quantity, to the alcohol in many pharmaceutical preparations. I would ask the Commission not to agree to a 20s. a gallon duty unless the preparation contains more than 15 per cent. of proof spirit. At the present time if it contains more than 3 per cent. it is saddled with this high duty, with the result that it imposes an *ad valorem* duty on some preparations which is simply enormous. There may be only 3½ per cent. or 4 per cent. or 5 per cent. of proof spirit, and it comes in at the 20s. a gallon rate. I have two good cases which strike me as a family chemist—Woodward's Gripe Water and Californian Syrup of Figs.

15367. *The Secretary.*] They have taken out the spirit now and substituted glycerine, I think and,——*Witness.*] The public are paying as if they had not. Then it would come at 25 per cent. *ad valorem.* At any rate, I have paid these enhanced rates on my stock of Californian Syrup of Figs and Gripe Water, on account of the alcoholic duty. Woodward's Gripe Water is sold in England for 1s., and at stores I think you can get it for 10d. It is sold here at 2s. Three bottles a month, which I have frequently sold, is an item of 6s. For married people with families, it is a very serious item. The Californian Syrup of Figs used to be sold at 1s. 6d. and is now sold at 2s., which is a very high charge.

15368. *Chairman.*] You get it at the lower duty now?—That is news to me. Some syrup of figs is being introduced with glycerine substituted for the spirit, and others with chloroform water substituted for alcohol. I ought to mention that in spite of the high charges for these preparations, showing that the people will not or cannot do without them, there is no falling off in the sales as far as my business is concerned. May I take it from the report in the *Cape Times* that a suggestion has been made that there should be a 33⅓ per cent. duty on all medicinal preparations that are put up ready for sale oversea? With regard to tabloids and preparations that are called kapsols—by Allen & Hanbury, and preparations of that sort—I would like to point out that in all those cases, the composition of the article is clearly stated on the label. To such an extent is this recognised, that they are very largely prescribed by members of the medical profession. Although such an article may be put up for sale on the other side of the water, it falls into a different category altogether to a proprietary medicine—a quack medicine—the success of which depends upon the public not knowing what they are taking. With regard to alcoholic toilet preparations, I understand the suggestion has been made that they should have a 33⅓ per cent. duty and if they contain more alcohol than brings them up to the 33⅓ per cent. duty, they should be charged a still higher duty according to the amount of alcohol. I would suggest that in those cases the *ad valorem* rate should be 20 per cent., and that they pay duty according to the amount of alcohol contained in those preparations—that the same principle should apply in the case of alcoholic toilet preparations as will apply to tinctures, namely, that the importer shall not pay for alcohol other than what he actually receives, the duty to be met by the *ad valorem* charges. At the present time those all come in under the £1 2s. 6d. per gallon rate. Under the former Convention they came in under the 20s. per gallon rate with 10 per cent. *ad valorem.* Now the same duty is being paid on the cheapest perfume, namely, Eau de Cologne, as will be paid on the most expensive perfumes you can get in Paris. That does not strike me as being fair. I think the Customs should go back to the former practice, and add so much per gallon and the 20 per cent. *ad valorem.* There is one other point, and that is that in order to encourage the manufacture of preparations like Eau de Cologne and Lavender Water in this country, which can be made here owing to the excellent quality of the alcohol which is distilled, the Commission should approve of all essential oils coming in duty free or with a purely nominal duty—essential oils used in the manufacture of these preparations. At the present time they stand at 25 per cent. *ad valorem.*

15369. *Mr. Tod.*] Are essential oils only used for the making of perfumes?—Some would only be used for perfumery, and many essential oils are used in medicines.

15370. *Chairman.*] Are those all the points?—With regard to the clause in the last Convention in regard to the 25 per cent. duty on Medicines of a proprietary nature, which says, "when prepared by any secret or occult method and recommended to the public under any general name or title," this is a good clause, and I would like to see it continued, because it distinguishes the secret maker from the maker of an article the composition of which is declared on the label in the sight of everybody. I do not think I touched on Foods. May I call the attention of the Commission to the duty now being levied on infants' foods? That is a matter which has been brought very forcibly to my notice during the last two or three years. At the present time the duty is 15 per cent. less 3 per cent. rebate. I think that these infants' foods should be treated as necessaries of life, and they should come into the Colony on equally, or nearly equally, favourable terms as condensed milk. Milk is being produced in this country, but we are a long way from the time when infants' food will be manufactured from milk in South Africa. I think that the whole lot of infant's foods might be introduced at a nominal 5 per cent. duty if you cannot see your way to introduce them free.

15371. There would be a danger of a lot of things being introduced as infants' foods?—I do not think the Customs would have much difficulty in dealing with them. Take the standard foods that I have been acquainted with during the last 25 years. The object of these powders in tins is clearly stated on the label, and I do not think anyone could hoodwink the Customs over a thing like that.

15372. Are those all the points you wish to bring forward?—That on the question of the general drugs not alluded to in the special clauses I think the 15 per cent. duty already in existence should stand, if it is necessary to tax drugs at all. I should like to see medicines brought into the country free of duty but chemists, and even patients, recognize the fact that the country wants revenue and it must be got somehow, but I should be glad to see no advance on the 15 per cent. for the general run of drugs used in pharmacy.

15373. The general idea is that it is very small compared with the thousand per cent. profit the chemists get?—All I know is that we, carrying on business in South Africa, in spite of the charges we make, have great difficulty in making a living.

15374. *Mr. Tod.*] You are very strongly against the suggestion to raise the duties to 33⅓ per cent.?—I am.

15375. You think the public would have to pay more for their drugs?—They would.

15376. *Mr. Pyott.*] We have a suggestion that drugs for cattle should be increased from the free list to 25 per cent. What is your impression of that? Take Thorley's Food for cattle and horses?—I should not be in favour of it?

15377. You would still bring it in in the free list?—I would. In South Africa we should be very chary of hampering agriculture in any way. I would let those things come in free.

15378. You would rather pay 15 per cent. on the medicine of man than the medicine of animals?—It perhaps does look rather a curious distinction, but at the same time the medicines used for cattle are used in such enormous proportions. I was five years in an agricultural pharmacy in the Old country, and there you bought things by the hundredweight and ton where you would buy by the pound in an ordinary pharmacy.

15379. If the goods are made up in England they pay 3 per cent., whereas if made here you have to pay 25 per cent. on the raw materials?—If these could be manufactured in this country, I have suggested that all crude drugs to be used for the manufacture of preparations here should come in duty free.

15380. You would not call spice a drug?—It would be.

15381. Ginger ?—It is a *bona fide* drug, yes.

15382. *Mr. Scott.*] I suppose you are not a prospective manufacturer?—I manufacture a number of preparations during the year, in fact I manufacture all I possibly can. I manufacture those preparations which it pays me to manufacture.

15383. I thought you were principally a retail chemist ?—I am, but if I use in the course of my business say half a gallon of tincture, and I see my way clear to save 5s. by manufacturing it myself, I will do so.

15384. Are you speaking entirely of your own experience as a chemist ?—Yes.

15385. So those manufacturing chemists who come before us are perhaps a little out in their opinion ?—The opinions I am expressing to-day are my own opinions only. I have talked the matter over with one or two friends. I certainly think the point of view of those witnesses is wrong.

15386. *Mr. Kayser.*] In regard to the questions asked before, I think it is only fair to say that it was explained to us—although not shown in the newspaper—that that opinion came from the wholesale trade, the desire to get 33⅓ per cent. The witness mentioned that the committee consisted mostly of the wholesale trade. In regard to your suggestion, which undoubtedly seems a fair one, of an *ad valorem* duty on these articles with 15s. per gallon on proof spirit, would not that cause a great deal of difficulty for the customs ?—I do not think so.

15387. They would speak as to that themselves ?—Yes.

15388. Your idea is the higher article could justly pay the *ad valorem* rate ?—Yes.

15389. So you place the burden of taxation more fairly ?—Yes. When I say 15 per cent. I would like to make it 15 per cent. or some such figure which would be convenient to the Customs.

15390. With regard to the essential oils for perfumery, will you send in a list of essential oils which could be used for perfumery only ?—Yes.*

15391. Of course it would never do to have all essential oils imported duty free ?—Very well, I will.

15392. The duty on condensed milk is practically about the same as on infants' foods. You suggested it being the same. The duty is ½d. a pound—6d. a dozen tins—except skimmed milk, which is 6d. a pound ?—It is 5s. 2d. per hundred pounds.

15393. But 4s. 2d. from England. It is about 15 per cent., which is practically the same thing, so your suggestion is practically being carried out to-day. However. if you send in the list of essential oils it may be worthy of consideration, particularly if we can use our spirits which are so good ?—I will do that.

15394. *Mr. Harlow.*] Supposing we accede to your points, is it going to cheapen the medicine to the consuming public ?—In regard to all the points I have mentioned ?

15395. Yes ?—In some cases yes, in others no.

15396. You have admitted just now in reference to two articles in which glycerine had been substituted that it made no difference to the consumer ?—Yes.

15397. Do not you think that would apply all the way through in reference to these preparations ?—No, because it is some time before a change in price takes effect, because wholesalers will clear their stocks at the old rates.

15398. But do you not see you are reducing the revenue and the general public are receiving no benefit ?—In those preparations they would be cheaper to the public, and that was my only reason for the suggestion.

15399. But it would be so minute that it would scarcely be noticed ?—No. I think in the case of one article the retail price would come from 2s. to 1s. 3d.—a pretty good drop.

15400. That might be done now if some people were satisfied with less profit ?—I do not think so. Speaking generally, in many instances the price would be cheapened, but with regard to expensive alcoholic perfumery they would be increased.

Chicory and Coffee Roasting.

Ernest Elliott Brackett, Coffee Roaster, examined.

15401. *Chairman.*] You wish to give evidence on the manufacture of coffee ?—Yes. I was about to ask for an increase in the duty on imported roasted coffee.

15402. An increase of 1d. per pound ?—That was my suggestion. It seems to me we are not sufficiently protected, although we have a small protective duty of 1d. a pound. I may say the duty on the raw coffee being ¾d. in the pound, allowing a shrinkage of 20 to 25 per cent. at least in the roasting, brings the duty on the imported article manufactured out here up to 1d. The duty on the imported roasted beans, or the imported roasted ground coffee, is 2d. a pound, which leaves a protective duty of only 1d. a pound. Allowing the difference in the cost of labour, including the manufacture of tins, which are necessary to protect the aroma of the coffee, and the other packing necessaries, as between Europe and the Cape, it seems to me we are not sufficiently protected, and I would suggest that another 1d. per pound might be imposed.

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* Witness subsequently stated his inability to furnish such a list.

15403. That is all you wish to ask ?—Yes.

15404. *Mr. Kayser.*] Have you been long in this business ?—Between 13 and 14 years.

15405. In Cape Town ?—Yes.

15406. For the benefit of the Commission, I would like to ask if you have been trading at a profit ?—I may say I have had a small profit, but very small.

15407. I see you make a point here, as one of your reasons for further protection, that not only is the labour more expensive in this country, but also the cost of tins, labels and cases ?—That is for the tinning of the coffee.

15408. Why are tins and labels dearer in this country ?—I believe the labour in Europe is considerably less for one thing. There is a small duty, of course, on the raw tin.

15409. The raw tin comes in free, but there is a duty on imported tins ?—Not when they are filled.

15410. It must be included in the cost ?—I think not.

15411. At any rate, if you imported your empty tins you would have to pay the duty ?—Yes.

15412. And you consider you should get a protection on your Colonial coffee for the reasons you have stated ?—Yes, and then the cost for heating is considerably higher.

15413. The whole of your raw material is imported, is it not ?—Yes.

15414. What would be the effect on the consumer if an extra 1d. a pound were put on roasted, ground or mixed coffee ?—I do not think it would make any difference to the consumer. I think it would possibly mean that the industry here would receive benefit from the exclusion, more or less, of the imported article.

15415. You seriously say that if you had further protection it would not cost the consumer any more ?—I feel confident it would not.

15416. Of course if he bought the imported article it would cost more ?—It must do, because I believe that article is being cut very fine.

15417. Why then do you ask for protection if you could sell at the same price ?—I think we should then be able to substitute the local article for the imported.

15418. But you are making a profit to-day ?—A very small profit.

15419. Not sufficient to control the market ?—No.

15420. Would you not then have to get a larger profit in order to go to further expenditure in the matter of controlling the market ?—I suppose eventually we should have to go to a little more expense, but that would be more than justified in the larger output.

15421. What effect would the suggestion of yours have on the revenue of the Colony ?—I really could not say.

15422. It is one of the terms of our reference to find out what effect any suggested amendments would have on the revenue of the Colony. Would it not mean the importation of roasted ground or mixed coffee would practically cease ?—It would be decreased considerably, but I think there would be a great deal more coffee consumed for one thing.

15423. As far as the revenue is concerned, that would only derive benefit from raw coffees ; is not that so ? There would probably be more raw coffee imported, but less manufactured coffee ?—Yes.

15424. That is if you get the larger returns ?—Yes.

15425. And therefore the revenue would be decreased ?—Yes, I am afraid there would be a decrease, but there would be the encouragement of the local industry.

15426. And the old argument that you would employ a little more labour ?—Yes.

15427. Do you employ much labour now ?—No ; I am not in a large way.

15428. Could you state how much more labour you would be likely to employ if this suggestion of yours were carried out ?—That I could not say definitely. I suppose half as much again, at any rate, before long.

15429. Could you tell us how many you employ now ?—I have comparatively few.

15430. Would you employ a dozen more men ?—Not more than half-a-dozen more ; that is, male and female.

15431. Another of our terms of reference is with regard to the preferential railway rates on South African produce. Do you get any preference on the goods you manufacture when you send them up-country, or do your customers get it ?—A little.

15432. It is 20% off the regular rates ?—Yes.

15433. Would you have any objection to that preference being removed? Do you think it is absolutely essential in your business?—I think it is.

15434. You would therefore have an objection to the preferential railway rates being removed?—Yes.

15435. Of course you make a counter suggestion that if you do not get the increased duty on imported coffee you should get a reduction on the raw material?—Yes.

15436. *Dr. Viljoen.*] Could you tell the Commission what is the proportion of white as against coloured labour you employ?—Half and half—50 per cent. of each.

15437. And you say you are running this factory of yours at a small profit at present?—Yes, very small I might say.

15438. You are asking for an increase of 50 per cent. on the present duties on the roasted coffee?—Yes.

15439. So of course the additional 50 per cent. would be a direct profit to you?—Yes.

15440. If it is a fair question, what do you propose to do with this profit?—That would be the expansion of the business, coupled of course with the increased output.

15441. Machinery?—In machinery and also in labour; in fact I might say you will require more extra labour than machinery.

15442. You want an additional duty of 50 per cent. although you are already making a profit. Will you give any of it to the workmen?—The 1d. per pound would hardly represent our profits on the coffee. The determination of the profit would be on the output.

15443. You ask for 50 per cent. increased duty?—Yes.

15444. And if you are running at a profit the additional 50 per cent. must be yours? Not necessarily.

15445. Do you not think this is rather a big increase, considering that coffee is almost a necessary of life?—I might say that coffee requires a great deal of manipulation, and therefore a great deal of the cost is labour.

15446. The consumer would have to pay an additional penny on every pound of roasted coffee?—I do not think so. I do not think this duty would increase the cost to the consumer.

15447. You do not think it will increase the cost of living?—I do not think so.

15448. *Mr. Scott.*] Would the increased duty ultimately help you to decrease your price to the public?—Not to decrease it. It would help to increase the turnover.

15449. By that means could you reduce your price to the public?—No, but I should be able, so to speak, to enlarge my circle of operations.

15450. It would enlarge your factory?—Exactly.

15451. But it would not bring down the working expenses?—No.

15452. Not if you had a larger market?—No.

15453. Do you get your tins made locally?—Yes. I believe the parts of the tins are imported, and put together in Cape Town. It is a patent tin. I believe the top and bottom are imported, and the tins manufactured here. It might be produced, I think, entirely locally with the aid of a little more machinery.

15454. Tins are being produced entirely in Cape Town?—I may mention that some I have are entirely produced in Cape Town, and of some the tops and bottoms are imported and they are put together in Cape Town.

15455. Are your labels imported?—They are all locally printed.

15456. So your industry is a little use to the Colony?—Yes.

15457. Could you tell us how many men are employed in producing your tins and labels?—No; that is beyond my power.

15458. *Mr. Tod.*] Do you do anything in chicory? Do you raise chicory?—No. It requires a considerable plant for chicory.

15459. Is not chicory grinding or roasting done in Cape Town?—No. There used to be a factory many years ago at Retreat, but that failed. I think there is one in Grahamstown, or somewhere in the Colony, but there is very little chicory produced in the Colony as far as I am aware.

15460. I suppose you use it in the coffiee?—Yes, but what I use is imported ready-made.

15461. I may tell you we have been asked to recommend a protective duty on ground chicory. Would you be in favour of that?—Yes, certainly, because I think it could be produced in the Cape if the industry was only properly capitalized and properly worked.

15462. *Mr. Harlow.*] You said that the class of labour was more expensive here than oversea?—Yes.

15463. At the same time you said you employed a certain amount of female labour?—I said I should do so in case my business extended. I have no female labour at present.

15464. Have you any idea what the difference is between the cost of the labour oversea and here ?—I am sorry I have no statistics on the point.

15465. You have made that statement without knowing the actual facts ?—Yes.

15466. Are you aware there are more coffee factories in this country besides yours ?—There is a very large one at Port Elizabeth, and some small ones I think. There are only two or three in Cape Town ; they are all very small in Cape Town.

15467. Supposing your suggestion were agreed to, and this extra 1d. a pound were put on, do you think you could supply the whole of the wants of the Cape Colony ?—Yes, I can do so ; it could be done undoubtedly.

15468. And immediately ?—Yes.

15469. Do you know what the imports of coffee into Cape Colony were for 1906 ? —No, I am sorry I do not.

15470. Would you be surprised to hear there was £396,000 worth imported into the Cape Colony ?—Is that raw coffee or roasted ?

15471. That was the importation of coffee into Cape Colony. Could you deal with that amount ?—Not myself.

15472. Do think the other manufacturers could ?—Yes, I think so.

15473. *Mr. Pyott.*] Would the increase of 1d. a pound on coffee increase the price to the public ?—No.

15474. *Mr. Kayser.*] You said you wanted further protection on chicory. Do you know the present duty on chicory ?—It is 2d. a pound.

15475. Do you consider you want still further protection on it ? You said you were in favour of further protection ?—I would like to withdraw that statement.

15476. You consider the present duty is ample ?—Yes.

15477. You think the present duty is sufficient to encourage the growth of chicory ?—Yes.

15478. *Chairman.*] Do you understand the position here ? The duty is 2d. on chicory, and 2d. on the root too. You are not in favour of increasing the duty on chicory ?—No.

15479. Yet you say the chicory root can be grown here ?—I should be in favour of the duty on chicory root as well as the ground chicory, because both can be produced here.

Coopering.

Jacobus Adriaan Smit, of the Standard Cooperage, examined, on Coopering.

15480. *Chairman.*] Will you state to the Commission what you wish to bring before them ?—We have in Cape Town an industry which the people are trying to throw down to its last end by not supporting it. Why make complaints that we cannot produce articles they can import. I wish to state that we can produce similar articles, and we can keep ourselves going provided we get the proper duty put on imported fustage—that is 20 per cent.

15481. That is vats, wine casks and everything ?—Yes. The foreign article pays 3 per cent., while we also pay 3 per cent. for the raw material.

15482. You import the raw material ?—We have to.

15483. That is all you want to bring before the Commission ? You want this duty on the manufactured article ?—Yes. We have had several people from oversea to work here. We have tried them and learnt a lot by them, and they are quite satisfied with the way we have been working ; in fact a good many of these coopers said they were quite surprised to see the way the coopers in South African can work.

15484. Do you import the rough timber or import roughly-fashioned ?—I import rough timber. I also import roughly-fashioned—that is the half-dressed stage—for wine casks.

15485. It is only the labour part you want protected ?—Yes. Also they can only talk of having work here for six months, and during those six months do not earn more than £2 10s. a week. My uncle and my father formerly had businesses here, and they never complained of the imported article. My uncle employed men all the year making stuk vats, and my father did the same. Now, since the vats were introduced into this Colony by some French firms, we have been entirely handicapped.

15486. *Mr. Scott.*] You say your uncle and also your father had a very large coopery establishment in Cape Town ?—Yes.

15487. How has that industry fallen off ?—Simply through the importing of the shooks.

15488. You mean manufactured ready to put together ?—Yes, sent out in bundles. Where three men would perhaps make two vats a week they can put up one vat in half a day.

15489. Was that due to the alteration in the tariff?—They formerly had no duty on at all, but the imported stuk vats were not known here as well as they are now.

15490. There was no protection before?—No.

15491. What has become of all those coopers who were employed?—My uncle employed twenty to thirty men. That place was taken over by a certain firm in Cape Town, and there are only two men working there now.

15492. So it is now a languishing industry?—Yes.

15493. Can you make those large wine cask equal to the French article?—Yes. My uncle employed men permanently from the beginning to the end of the year making these big vats.

15494. They are not made any longer?—Very few.

15495. You mean they are imported in the staves ready to put together?—I can tell you also that in 1903 my late father made some fifty to sixty of those vats, which went up-country to wine farmers, and since my father died I have not made above forty-five.

15496. You are still in the business?—Yes. All the family were coopers, but there is only myself keeping to it; my other brothers cannot make ends meet.

15497. You suggest 20 per cent. on vats?—Yes.

15498. With regard to the ready manufactured staves what is your suggestion?—I ask for 20 per cent. on these. We have staves flattened and backed on the two sides—that is cut inside and outside—where we have no machines for that purpose. I also ask for them free of duty.

15499. Have you had much machinery in this business?—My uncle went over to America to get machinery, and found machinery for his casks did not pay him. The consequence was when he retired his business was practically finished (financially) through the machinery imported. It means the staves for machines must be selected straight. Sometimes staves come from America or elsewhere which do not keep straight. The machine wants staves to be straight, otherwise it makes it thick at one end and leaves it thin at the other end, which means a bad cask, and then we must employ hand labour to make up the casks.

15500. Perhaps you were not up to the working of the machinery?—He had the men to work it.

15501. You know at present the wine industry is in a very low condition in the country?—The wine is very cheap, but as regards the manufacturing they are flourishing.

15502. The price of wine and brandy has gone down. Is the wine farmer likely to object to the 20 per cent.?—He might object, but I must say this much that the majority of the farmers tell me if I can give them the same article at the same price they will give me the preference, because they prefer the vats made in the Colony.

15503. Can you do that?—It is impossible.

15504. How much would you require?—They can import the vats ready-made, fixed up in their cellars, for just a small amount above what I can import the rough timber for.

15505. If you got back to the old condition of affairs, when you had an up-to-date factory, would not you be able to manufacture a vat as cheap as the imported article?—As I said, the staves coming out are too dear. There is very little difference between the staves and the ready-made cask.

15506. You have a considerable amount more to pay on your rough stave; it is more bulky?—Not so much more. Another thing is the staves coming out are already bent and they are more bulky. They do not take the wood by weight but by measurement. I may state 20 per cent. is a very low item, because it does not leave us a margin at all in case the oversea manufacturers were to reduce their prices. I am asking for this protection for my benefit as well as the farmer's benefit to that extent that, if the farmers want duty on their stuff, we want duty on our stuff in order to have consumers.

15507. Would your vat be worth more money to the wine farmer? Is it a better article?—They prefer to have the Colonial if they can get it at the same price.

15508. But they cannot afford to pay you any more for making it?—Certainly they will not do that.

15509. *Mr. Tod.*] All those wine vats are imported from France, are they not?—Chiefly.

15510. Were they ever manufactured here to any extent?—Yes.

15511. Where do you get the wood from?—Chiefly from America.

15512. We heard, I think, that there was some agitation going on in connection with the present 3 per cent. duty. I think I heard it contended that these things could not be made except in France?—I may tell you that that same gentleman who gave evidence stopped at my stand at Rosebank three years ago and congratulated me on the work I had done and said he would like to give me the work, but I could not compete. He has claimed my article to be equal to the imported.

15513. Have you efficient workmen to do this particular work ?—I have.

15514. Are you doing much to-day ?—I am doing fairly well to-day to the extnte that I have an order for small fustage of about £175. I am also making some vats for Dr. Viljoen. I have a photograph here showing my goods at Rosebank Show [*handing in same*].

15515. *Mr. Harlow.*] What men are employed at your factory ?- -All Colonial men.

15516. White or coloured ?—Both.

15517. How many coloured have you ?—I have at the present time six coloured men and five white men.

15518. You do not show the machine on these things ?—Often in France they do not make all the things by machine. I was told they do very little by machine.

15519. You think with this 20 per cent. you could compete with the oversea article, and the farmers here would buy casks from you ?—I might be just slightly dearer, although I have no intention of making my prices higher than to-day, that is provided the wood does not go up.

15520. You think if you had the 20 per cent. the farmer would come to you ?—Yes. The imported article would be a little cheaper, but I know they would give me the preference with the duty of 20 per cent.

15521. The farmer would not mind paying that 20 per cent. to you instead of paying it to the revenue ?—They would not mind paying it to me.

15522. *Mr. Tod.*] In regard to fustage imported from France, is it the case that men are imported from France to put it up ?—Yes. The men know exactly what they have done.

15523. It must be expensive ?—It is rather expensive.

15524. *Mr. Harlow*]. In reference to the importation of the men to put up the fustage do you not think you could do it here ?—Yes.

15525. Without the importation of the men ?—Yes.

15526. What becomes of the men after putting up the fustage ?—They go away again.

15527. They come here and earn the money and take it away, and you could do it all by Colonial labour here ?—Yes.

15228. Do you object to that system ?—Yes.

15529. Because you think there is quite enough labour in the Colony to do the work without importing men for it, and it can be done just as well ?—Yes.

15530. And no higher cost to the farmer ?—No.

15531. In fact it would be cheaper ?—Yes : they would save the passage money.

15532. *Dr. Viljoen.*] Did you get orders from the farmers within the last year to make the big stuk vats ?—I have had two orders—one from yourself and one from Tulbagh.

15533. Your price was in excess of the foreign article ?—It was.

15534. Can you make these very large stuk vats to hold about thirty to forty leaguers of wine ?—I can, provided I get notice in time to get the wood.

15535. The importation of stuk vats from France is only of recent origin ?—About since 1904.

15536. Previous to that all were made in the country ?—Yes.

15537. There are three cooperies at the Paarl ?—Yes, and mine in Cape Town.

15538. And we can practically make all the stuk vats for the wine farmers here ?—Yes.

15539. Your complaint is that you cannot compete against the imported article ?—Yes.

15540. In regard to the people coming out here—the French workmen—they contract with you to make a certain number of casks, and the condition is that these enormous casks must be put up in the cellar. You cannot import the cask in the whole and have to do it in the staves, and the difficulty is that these people say, " We cannot risk a cask costing a couple of hundred pounds, and we must send out our own men," and these men were only sent out for large orders. You say you could turn out as good a cask as the imported cask ?—Yes.

15541. The question is that you cannot do it for the same price ?—That is the only thing.

15542. Do you keep a large quantity of seasoned wood ?—At present, yes. I had wood for twenty leaguer stukvats, but I could not get an order because I could not compete.

15543. Do you think if you do not get the protection the average small farmer will import his cask from France ?—No. It is just the small farmer who does not do it.

15544. It is only the big co-operative wineries and the big people ?—Yes.

Hermanus Johannes Cornelius Zuidmeer, Cooper, examined:

15545. *Chairman*]. Will you make a statement of what you want?—I have applied for 25 per cent. duty on imported vats. I am in the third generation of our business, and since the casks have been imported we have found it impossible to compete with the European firms, because wages and living are much cheaper there than in this Colony. Our business has been known since 1857, and at the present time casks are imported, and we cannot compete, which is why we ask for the extra duty. There is the 15 per cent. duty, but we, as coopers, have to import all our stuff. If we could use English oak it would be better for us, but it is a pity to say we have to import it from Austria and America We have to import the raw material, which means the labour on the staves, whereas in the other case the cask comes in a shook ready to be made up here.

15546. Is that the only point?—Yes.

15547. *Dr. Viljoen.*] You have been long established in your present industry?—I was with my father for 19 years, and have been on my own for the last three years.

15548. Until within a comparatively recent time all the vats were made in South Africa?—Yes.

15549. When did they start importing?—About four years back, in 1903. I think the Government started it first.

15550. Previous to that all the vats were made here?—All were made in South Africa.

15551. Are the imported vats serious competitors?—They are. All the coopers have not got work at the present time. Whereas I employed 30 men, I can keep 10 and 12 now.

15552. With regard to the eight or ten-leaguer vat, is the quality of the imported as good as the article you manufacture?—It is not for me to say, but I might put in two testimonials of a few I have (*producing same*).

15553. You made 25 stukvats for Mr. Lange two years back?—Yes.

15554. What is the general size of the cask made?—The seven is the one usually made.

15555. What is the difference in price between the vat you make and the vat which is imported, landed here?—I cannot tell you very accurately, but as far as that is concerned if I have the extra duty I can compete with the European firms, at the same price.

15556. What is the duty?—I have made enquiries this morning. On staves it is 3 per cent., and shook casks 3 per cent. In 1903 we had our raw material in free.

15557. The partially manufactured stave is 3 per cent.?—The rough stave. It is not cut out; it is a raw thing.

15558. You mean you have to pay 3 per cent. on the unmanufactured stave you get because it comes from outside the British countries?—Yes.

15559. You are penalised with this preferential rate?—Yes.

15560. If you could get the stave from England you would get it from there, but you cannot?—Yes. We have to go elsewhere, because English oak is higher than anywhere else.

15561. Do I understand that these vats are mostly imported for these large co-operative wineries?—No; they have been imported for small farmers as well.

15562. I say mostly?—Mostly for the wineries, but they are from 17 to 20 and 30 leaguers.

15563. The vats now being imported are mostly for the large wineries?—That is so.

15564. The individual farmer very seldom imports?—Yes.

15565. These wineries are built on the co-operative principle with State assistance?—Yes.

15566. So they are not only using money out of the Treasury to build up the large co-operative wineries, but are interfering with you and your work?—Yes.

15567. It is only since the Government started importing the vats that the trouble commenced—about four years ago?—Yes. When I saw the co-operative wineries were to come into existence I went to Europe, and went into the largest cooperies in the world, and before I left I saw Mr. Walton in company with Mr. Collard, and Mr. Walton promised me that he would tell Mr. Hannon I was to get the first chance of tendering for the casks. In a letter Mr. Hannon wrote to me in Europe, which I only received in Rotterdam, he said the farmers mostly wanted seven-leaguer casks. I bought more seven-leaguer casks than I should have done. He could not state definitely how many casks were wanted. He asked me in his letter to go to see certain wine cellars, and I threw away a fortnight doing so. I was sorry, because I found I might have got orders here by returning earlier. As it was, I arrived about the 13th of August, and wrote to the different wineries, and they were importing.

I think Wellington imported ten, Over Hex nine, Tulbagh two, and I think Stellenbosch also imported some—all of which could have been made in this country.

15568. You went Home to study this, and paid the expense out of your own pocket?—Yes.

15569. And you understood you would have an opportunity of tendering for the casks for the co-operative wineries?—Yes.

15570. Was the promise fulfilled?—No; when I wrote to them, I was told they had imported.

15571. Did you remind the Government of their promise?—I wrote Mr. Hannon about it. He told the wineries I would come too late. It was August, and there was still seven months before the vintage.

15572. If you import an ordinary vat for carrying about, it comes at 15 per cent., but a stukvat of five or ten leaguers comes in at 3 per cent.?—That makes it more serious to me.

15573. *Mr. Tod.*] You have no protection, at present?—Absolutely none.

15574. *Dr. Viljoen.*] You think if you were given reasonable protection?—I should think 25 per cent. would be most reasonable.

15575. Supposing you were given reasonable protection, do you think the coopers in the Cape Colony would be able to fulfil all the orders?—Certainly.

15576. And to make a cask equal to the imported article?—Certainly.

15577. *Mr. Tod*]. Do I understand you can make the largest stuk vats?—I can make up to 100 leaguers now. That is why I went away, I am going to put a 20 leaguer cask on exhibition. We have two to make for the Lower Paarl Winery; they have placed the order with me.

15578. *Mr. Kayser.*] Who imported the casks you complain of?—I suppose the wineries.

15579. Not the Government?—First by the Government for the Constantia Wine Farm.

15580. Did the Wellington Winery import theirs?—I cannot say. The winery imported, and they had Government money. I can say this, that the Government knew the casks could be made in this country, and still gave the money to have the casks imported.

15581. You do not say the Government imported them?—No.

15582. You really want the vats to come under an *ad valorem* duty instead of the 3 per cent. as at present?—Certainly.

15583. It is a question again of bringing in the farmers' requirements at the lowest rate of duty. The agricultural farmer gets his ploughs in at 3 per cent., and the wine farmer wants his vats at 3 per cent.?—I say the factory has been in existence fifty years and there are three or four others in Cape Town, and they all complain.

15584. The reduced duty was to benefit the farmer. Unfortunately you have suffered, but he has benefited?—Yes.

15585. You say you bought too many seven-leaguer casks. You mean too many staves for them, and not the completed casks?—Yes.

Earthenware and Pottery.

William Lindley, of Stephan Bros., Proprietors of the Croydon Brick and Tile Works, examined.

15586. *Chairman.*] Will you make any statement you wish?—In bringing the question of the duty of sanitary pipes before you I wanted to point out one or two things. The first is that it is a new industry and all the ingredients with which they are made are absolutely Colonial. We import nothing. We are not like Mr. Sanderson who said yesterday 95 per cent. of Colonial stuff, ours is absolutely all Colonial stuff. On these pipes the duty is 3 per cent., with a preference of 3 per cent. for those made in England, which practically makes it that sanitary pipes with all connections are brought in duty free. When we have suitable material here with which to make them I think it is the duty of the Government to give us a little protection in order to get the industry put forward. At the present time there are not many firms going in to the trade, but I feel that there would be more provided we had a little protection in order to guarantee that the thing could be done on a payable basis. We have to get skilled labour, which is very costly, and it is desirable that skilled labour should be brought into the Colony to my mind, because they are men earning large amounts of money and with a good spending capacity and therefore are desirable citizens. Beyond the importing of the skilled white labour we have nothing else imported. The cost of the coal is very heavy and the cost of labour is very much more. I pay a common labourer here the same as in England practically, but you cannot get the same worth out of him. Therefore, in order to put us in a position to make these things and return a small dividend if we cannot return a big one to the promoters of the industry we should have a duty equivalent to that on bricks—that is to say, 25 per cent. and give a rebate of 3 per cent. to English makers. I think that is all. It is a small question.

15587. What is the freight on sanitary pipes?—A 5 in. pipe landed here costs about 1s.

15588. What is the freight in proportion to the cost?—I could not say; I have not gone into that.

15589. Is not that the most important question? Have you not sufficient protection in the freight?—I do not think so. We pay four to five times as much for coal as in England. We are using Natal coal, but cannot get it under 27s. 6d. a Colonial ton.

15590. You can get it for much less than that, cannot you?—I do not think so.

15591. *Mr. Pyott.*] What is the price of English compared with Natal coal?—It may be about 37s. to-day. I am referring to it in this way. In England you buy your cheap coal at a very low rate, and it is at a price which is about one-fifth of what we have to pay here for similar stuff.

15592. Do you get coal at 5s. ton?—At about 7s. 6d. delivered; that if brick-burning coal.

15593. You would not compare that even with Natal coal for steam-raising propensities?—I would prefer the imported coal, particularly the Welsh coal.

15594. You speak of coal at 7s. 6d. a ton?—That is the fine coal—the waste of the better coal.

15595. How does it compare for steam-raising propensities?—It is undoubtedly better than we could get here.

15596. You were speaking about common labour. You say you pay equally as much as at Home?—Yes. You pay them from 3s. to 4s. at Home. If you set a man here to do any kind of work he cannot do it. Is takes time to train him into doing it, and it is my experience that when you have that man trained it is his time for him to go back to his kraal and you lose him. I contend that in England I can go to any labourer in the brickyard and tell him to do certain work and he will do it with a certain amount of deftness and experience, and you have not to watch him the same as here. Take the commonest part, and that is the excavation of clay. I think you will agree with me that an intelligent man will take his pick and shovel and by using a certain amount of brain power get more clay out than a common nigger.

15597. Is that your experience?—Yes. I have had eight years' experience in this country and that is my experience of the native labourer with pick and shovel. I have had as many as fifty and sixty of them constantly employed.

15598. You want 25 per cent. on glazed pipes and tiles. Is not your great protection the breakage which occurs in importation?—Evidently not, because they can import and sell to the public here a 6 in. pipe for about 1s. They can buy them delivered in store at Cape Town at about 1s.—a 6 in. pipe, 2 ft. long, glazed and socketed. I have it from one large dealer here that a 4 in. pipe can come in under 11d.

15599. Have you any idea of the freight they are paying?—No. I just have the inclusive cost and take the delivery price, which is what I have to fight against.

15600. Take 6 by 6 by 24. How many would go to a ton?—There would be 6 cubic inches in a pipe. That would be 80 pipes to the ton measurement.

15601. What would be the freight on that stuff?—I do not know. I simply take the fact, which is a very stubborn and awkward one, that they can deliver that pipe for 1s., and we have to compete against that price with the extra cost of labour and coal.

15602. Do you get a preference over the railway?—Yes. We have a special quotation from the Railway Department of 1d. a ton per mile as against 1¼d.

15603. *Mr. Scott.*] Do you know anything of the duties in the other Colonies?—I do not. I have not gone into that at all.

15604. Do you know anything of the clays in the Peninsula?—A little.

15605. Are they suitable for making sanitary ware?—As proof of that I may say a pipe has been manufactured at the Croydon Works and tested along with an imported pipe by Cunningham & Gearing, and the Colonial pipe burst at 118 lbs. per square inch whereas the imported pipe burst at 110 lbs. I have a copy of the report of the test here: "Messrs. Stephan Bros., Cape Town. Dear Sirs, At your request we subjected to hydraulic pressure two earthenware drain pipes, and the result of the test was that the Croydon Works pipe burst at a pressure of 118 lbs. to the square inch and the imported pipe at 110 lbs. to the square inch. The pipes in both cases split lengthwise, in halves. These pipes were 5 in. in diameter inside, and 7¼ in. outside. (Signed) Cunningham & Gearing." I merely quote that to show the possibility of this competing with the imported article.

15606. Can you produce this terra cotta work?—More readily than we can produce the glazed material.

15607. Why are not the local makers producing it in quantities?—They do not get the opportunity.

15608. Why not?—Simply because the architects and building proprietors order it from oversea. There have been many buildings faced with it. Those of which have been faced—take the New York Mutual—have had it fetched from America. I have no hesitation in saying we could have produced enough terra cotta in the Colony if we had had the opportunity.

15609. Have we clays suitable for crockeryware?—I do not think we have for such things as cups and saucers. As far as my knowledge goes, we have not found a clay with which we can make china. The nearest clay that would come to that is about four miles out of town, but I doubt whether you would get that industry pushed through at all, and therefore I have not mentioned it. You would have to have imported people to work that from top to bottom.

15610. Taking closets for instance?—Closet pans, earthenware, baths, sinks, etc. could all be manufactured here.

15611. At anything like a price?—I think when you come to the water closet ware, the price which has to be paid now would enable us to compete against the imported, because they have to be specially packed and very carefully dealt with, and the breakage of one of the things is a very heavy percentage on the remainder. I think that in itself is sufficient protection.

15612. Then why ask for a protection of 25 per cent. if the breakage is sufficient? —The two commodities you refer to are absolutely different: one is the salt glazed ware and the other is the specially made article.

15613. Is sufficient sanitary ware imported into the Colony to induce a manufacturer to start making these lines?—The consumption of the goods varies considerably. At present there is very little building being carried out. I think there is a prospect of the whole suburban area being drained when they get the water scheme through. That will necessitate an enormus number of these sanitary pipes 4 in. 6 in. and 9 in. in size.

15614. You say your coal is dearer than in England and your labour expensive. You mean the native we have in the Western province?—The Cape boy or Zulu or any of the boys we have.

15615. The Cape boy is intelligent?—To some extent.

15616. But he is not equal to the labourer at Home?—No. I think if this country were suitable for the Englishman to do the excavating he would be able to excavate more clay than the native in the same time.

15617. The climate is not suitable?—I do not think so, to do that kind of work.

15618. Does the railway affect you in any way?—The railway charges on bricks are rather heavy. We have what I personally style an iniquituous charge, that is 10d. a ton terminals.

15619. We cannot deal with that?—It is added to the mileage rate, and the Railway do nothing for that terminal charge. They do not load or unload or take any risk, and yet in addition to the station to station rate we have to pay 10d. per ton terminal charge, although the sidings may be put down and maintained at our own expense. I would recommend the abolition of the terminal charge, because the railway do nothing for it. The present charge on bricks from Bellville is 8s. a thousand, which is very heavy.

15620. How long would you have the tariff in operation?—I think at least a term of five years, and then these industries may have sprung up and able to go on without any further protection.

15621. Is there much capital in the clay industries?—There has been a tremendous amount absolutely lost this last five years.

15622. How lost?—Five years back there was a very abnormal demand for bricks and the like, and people thought there was a lot of money to be made out of it, and consequently invested in it.

15623. *Mr. Tod.*] Is there a reasonable hope of developing a big industry if you get the protection you ask for?—I think so. We would be able to produce all the sanitary ware needed for the Colony instead of importing it.

15624. Where is your best market at present?—They are heavy goods and the railway charges are prohibitive to carry them a long distance. You have to produce them in the locality where they are used. We sell them in the Peninsula.

15625. *Chairman.*] It would be a tax on other parts of South Africa to put on 25 per cent.?—I do not think so. These pipes are made in the Transvaal and I believe at Grahamstown.

15626. The argument is that the freight and railway charges on these pipes are sufficient protection. You have only looked upon it from your point of view in the Western Province?—That is so.

15627. In those places they will tell you the railway charges and freight are ample protection? -I do not know what the freight round the coast is.

15628. *Mr. Harlow.*] In reference to the importation of these pipes, they are "nested," are they not?—Yes.

15629. The 4 in., 6 in. and 9 in.?—Yes. The 4 in. may go inside the 9 in., and perhaps the 6 in., and they go cheaper on account of that. You could carry the 4 in. in the 6 in. and that in the 9 in.

15630. That is the reason they come at a cheaper rate?—Yes.

15631. You do not get a ton of one size?—No. They get a ton of 4 in., 9 in. and 12 in., say.

Edmund Michael James, of Wilks, James & Co., Manufacturers Agents, examined on Earthenware and Pottery and School Furniture.

15632. *Chairman.*] What do you wish to speak on?—Principally on drain pipes and school furniture.

15633. Will you state what you want to lay before the Commission?—In the matter of drain pipes there has been some stir made amongst owners of clay-fields, and, incidentally, makers of bricks with reference to an increased duty on drain pipes. At present there is 3 per cent. with the usual rebate to British manufacturers, bringing it down to nothing in their case. My point is that to do anythng in the way of increasing the duties on drain pipes would not benefit the local manufacturers, such as they are, to any extent at all, because for one thing at present they have an enormous natural protection. The cost of the landed article is out of proportion to its f.o.b. cost, ranging between 100 per cent. or 150 per cent. in Cape Town or any of the coast ports, and I suppose in inland towns like Johannesburg, Pretoria and Bloemfontein it is a matter of about 300 per cent. As it is, the local manufacturers are not able to compete in any way with the imported on the question of quality. I am not speaking of a pipe made specially for a test, but marketable lines. There is not a single local pipe would be chosen over the imported, and in many cases a point has been stretched in favour of the Colonial pipes, and where it has been done there has always been some difficulty created. I have a letter here with reference to the up-country pipes, which was really brought about when the matter came up before the Chamber of Commerce, I made a statement there with regard to the use of local drain pipes in the Transvaal, and this was practically nullified by a statement made on the other side, and while I was certain in my mind I was not able to give chapter and verse. I wrote to a friend in the Public Works Department at Pretoria, and he replied: "Colonial-made drain pipes have been used by the Johannesburg Municipality, with most unsatisfactory results, as the pipes leak. The Transvaal Government will not use them for soil and only use them for stormwater. All leaky pipes are encased in concrete free of cost, and that has very often to be done. The Pretoria Municipality uses them for stormwater only. The Military will not have them at any price. Doultons or other imported are used for soil drainage. Local pipes were only used by the Johannesburg Municipality, because the specifications were too loosely drawn and they could not reject porous pipes unless they actually burst." Immediately a pipe is porous it acts like a sieve, and in the case of drain pipes particularly it is not the first cost but in the finished cost of the drain pipe laid down. The cost of the drain pipe itself bears a small proportion to its ultimate cost when laid in the ground. So my position is that to increase the duty on drain pipes would simply mean increasing the cost to the consumer, and local manufacturers are in no position at all to make these at all adequate for the purpose. A drain pipe, after all, cannot be turned out of the same kiln as a brick. A drain pipe is a matter of scientific knowledge, and there is a secret in the process of different firms, which is why one firm is superior to the others. There are processes in the firing.

15634. The other point is the school furniture?—There a similar position is caused, because local wood manufacturers are taking it for granted that because they have wood and machinery they can turn out school furniture. I maintain there is not a school furniture firm of any standing in the world which devotes itself to anything but school furniture or the allied form of church furniture. No school furniture firm turns out anything but school and church furniture. There the line is specialised. I have seen local manufacturers couple school furniture with their usual woodworking turnout, and the result would be that the local manufacturers would not be likely to compete with the imported article; and I maintain further that they would be quite unable, except at a prohibitive cost to turn out a school desk anything like serviceable. Only yesterday there was an article in the *South African News*, and I took the trouble to see the school-desk which had been made and which is referred to. I have not the least doubt in the world that any school principal or any one having any practical knowledge of school desks would condemn it at once. The fact of the matter is some one has designed a desk who has no technical knowledge of their construction, and any one with knowledge would condemn it at once. There is too much wood, and no economy in the space, and there are points where the thing is clumsy. It would be the most natural thing in the world for children to get their fingers trapped in it. Any one knowing anything about school furniture would not dream of putting it on the market. I maintain that to couple school furniture with ordinary woodworking will send up the cost without the least chance of the local manufacturers establishing the trade. With regard to cabinet makers, (*i.e.*, in relation to making of school desks), the school furniture firm with which I have been mostly identified is one of the biggest manufacturers in the world of school furniture, and on principle they will not employ a cabinet maker, because the cabinet maker tries to put his ideas into the school furniture, and the two trades are so utterly distinct that he proves an unsatisfactory worker. Although his work is of a high standard compared with school furniture, his ideas run in different lines.

15635. You are an agent for the sale of school furniture and drain-pipes ?—Yes. I know my ideas might be looked at in that light, but I can say the same of every man who has given evidence. As far as I have found they are along the lines of free trade, but what I have said are statements of fact; they are not opinions. They are statements of facts in regard to which reference to any one qualified to judge will satisfy the Commission at once. To class school furniture with ordinary woodworking is pretty much the same as turning out drainpipes from a brick kiln. To any one knowing anything about the specialising of these things the idea would not hold for a moment.

15636. *Dr. Viljoen.*] What do you mean by drainpipes—agricultural drainpipes ?—No, stormwater and soil pipes.

15637. Would you be suprised to hear that they make agricultural drainpipes here as good as anything they import from the other side of the water ? I do not say they require protection, because the freight is sufficient protection, but they make them here ?—They are mere channel pipes.

15638. No; they are real agricultural drainpipes, the same as you get them in England. You can get them plain or perforated. I know a farmer who bought 15,000 last year ?—These are laid on the surface ?

15639. No; they are laid anywhere from two to four inches underground ?—But if such a pipe leaks it is not a deterrent.

15640. It is an absorbent, to take the surplus water from the ground; the agricultural drainpipe is not watertight ?—In the case of agricultural pipes the necessities of their being perfectly watertight are altogether a secondary consideration.

15641. They must not be watertight ?—That is the essential point about drainpipes.

15642. I asked you whether you would apply it to agricultural drainpipes ?—No.

15643. You principally mean sanitary pipes ?—Yes, and water conduit pipes, where it is necessary to have watertight pipes.

15644. *Mr. Harlow.*] You know there have been pipes tested ?—Yes.

15645. Do you wish to infer that the locally made pipes were made specially for the testing ?—I will not lay that down definitely, but on the other hand there is the inability of the local manufacturers to turn out local marketable lines with a protection of nearly 150 per cent. and their inability to established themselves with the natural tendencies of the country to buy things locally.

15646. Were the Johannesburg pipes Cape Colony or Transvaal pipes ?—Vereeniging pipes.

15647. Do you wish to class the local manufacturers with those in the Transvaal ?—I do not see there is any distinction to be drawn. The mere fact that they have not been able to establish themselves points to the same condition of affairs in the manufacture of them. Also, I know they are starting on the wrong basis, because the matter of manufacturing drainpipes is a matter of selection of clays. All clays will not do for sanitary drainpipes.

15648. Experts on clay are likely to get good clay ?—Yes, but they have not disclosed themselves in any satisfactory way, except to submit a pipe here and there which evidently must have been specially made for the purpose. I mean it is extremely unlikely that the sample is selected from pipes for sale. A statement was made by the manager of the Croydon Brick Company, and to my mind it was a little bit overdone, because he said the Colonial was superior to any of the imported pipes that had been submitted. Of course it may be they have alighted on a wonderful clay, and have been able to turn it out in a wonderful sort of way, but if in a couple of years they have outstripped manufacturers who have studied the matter for 50 or 60 years it is little short of marvellous.

15649. Do you not think it is quite possible the men who have studied it may be in this country ?—It may be, but there is the question of the clay and the plant. It would seem to point to the fact that this pipe was specially made for the purpose, and you could made a pipe to stand any amount of pressure.

15650. You mentioned the freight of pipes ?—That is included in the protection, that is the natural protection.

15651. Is it not a fact that the imported drainpipe is nested ?—I am including that in the percentage I mentioned. For ordinary purposes they are nested.

15652. If you get a 12 inch pipe you put two others inside it ?—Yes.

15653. Do you mean to tell me those two others will pay freight ?—I made the bald statement that nearly 150 per cent. is represented by importing charges. That includes nesting. Un-nesting pipes would be 200 per cent. to 250 per cent. I am stating actual charges merchants pay when importing.

15654. What would be the cost of a 9 inch pipe here ?—About 2s.

15655. Do you mean to tell me the cost of the importation is 150 per cent ?—The cost of the pipe f.o.b. London or Birkenhead would be a fraction over 9d. per foot. A 6 inch pipe is about 7¾d. and it is sold here for practically 21d. less 5 per cent.—about 1s. 8d., that is 6″ x 6 x 2′ 0″.

15656. You put that difference in the cost on the freight ?—No. There is the merchant's profit as well, but on the other hand the manufacturer is competing with the merchant in a case like that, and the merchant will not sell the imported pipe at landed cost, and therefore what the local manufacturer has to compete against is the selling price of the imported article.

15657. In reference to the school furniture do not you think it is possible for our local foundries and woodworkers to compete with a slight tariff on ?—No. First of all there is not a demand to warrant the placing down of a plant—in any one district I mean, or any district fed from a manufacturing centre. I speak of where a manufacturer turns out school furniture and nothing else. If he thinks he can do it with the same plant as for household furniture he is going on the wrong tack altogether.

15658. *Mr. Pyott.*] Have we any clay in this country suitable for making the drain pipes you speak of ?—You certainly have clay, and I am not prepared to say it may not be suitable.

15659. You think the importing charges are practically sufficient protection for the manufacturer ?—They should be. If they cannot compete with a natural protection of 100 per cent. to 150 per cent: there is something wrong somewhere.

15660. Do you suffer much from breakage ?—It is a very big consideration. That is included in the 100 per cent. to 150 per cent.

15661. The 9 in. is a 2s. pipe here ?—It would be about that. I can quote the 6 in. definitely.

15662. What is the cost of the 6 x 6 x 2 ft. ?—1s. 9d. less 5 per cent.

15663. That is the selling price here ?— Yes.

15664. What is the cost at Home ?—Call it less than 7¼d.

15665. What is the c. i. f. price here ?—It would be about 1s. 3d. or 1s. 4d., including breakages.

15666. That is 100 per cent.—Yes.

15667. Cannot school desks be made in this country ?—They are a speciality. You can make any sort of a school desk. I speak of one which must come up to current requirements. A school desk is something more than a desk to sit at and read at ; there are hygienic points to be studied.

15668. Is there any possibility of making them in this country ?—Not unless there is a sufficient demand for them to warrant a separate plant in each centre for manufacturing school furniture only.

15669. Your point is there is not a sufficient demand to warrant a duty for manufacturing them in this country ?—Yes. In the case of school furniture I suppose, after all, the cheapening of education is a very great consideration.

15670. Is there any other point besides drainpipes and school furniture ?—Nothing particular I want to point out, except that much of what I have said in my statement refers to iron manufactures—wrought iron and so on.

15671. You take exception to their paying high protection ?—Yes.

15672. Cannot they be manufactured in this country ?—In the higher class work they have not the experience.

15673. Are you speaking from experience, because you are telling us an entirely different tale from that of the men with practical knowledge ?—I can safely say the increase from 7½ per cent. to 12 per cent. has not influenced my business in the least, because the best class work cannot be turned out in marketable lines. A man can turn out a first-class article, but the cost is out of proportion to the marketable price.

15674. What class of iron material do you speak of?—Such things as wrought-iron balconies and grilles and railings. They can be made here up to a certain standard to compete without any extra duty. It is only in the high-class work, where there is a great deal of back experience wanted—perhaps not only of the individual man but of those supervising. The cheaper class of work, that is work that does not require high standard of workmanship could compete with imported without duty at all. The percentage of importing charges (natural protection) is higher in the case of the cheaper than in the better class work.

15675. *Mr. Scott.*] You represent the Bennet Furnishing Company in school furniture?—Yes.

15676. And whose pipes?—Doultons'.

15677. They are well-known makers?—Yes.

15678. What is the f.o.b. price of the 6 in. pipe?—About 7¾d. nett.

15679. What is the f.o.b. price of a 9 in. pipe?—About 9d. per foot.

15680. What is the value of the 6 in. pipe?—Landed cost?

15681. Yes?—Say approximately 1s. 3d.

15682. We have it in evidence that it is 1s.?—There are cheaper pipes than Doultons'. Doultons' are the most expensive.

15683. If it were 1s. it would not be 150 per cent.?—Are imported pipes going to be sold at a profit simply at landed cost?

15684. As a matter of fact, I happen to know the cost of the pipes landed here, because I deal in imported pipes myself?—Are you speaking of Doultons', because I can assure you that you would be out of it in putting a 6in. pipe at 1s.

15685. I am speaking of British-made imported pipes?—There are distinctions made. Even in Doultons' there are distinctions to be made between their London and country pipes.

15686. Is 1s. too high for the cost of the pipe landed here?—Too low for 2 ft. x 6 x 6, I should say.

15687. What would the 6 in. pipe be retailed at?—For ordinary stock purposes about 1s. 8d.

15688. Do you mean to tell me you cannot buy pipes lower than 1s. 8d.?—You may do. I can submit a quotation from one of the principal firms in town quoting that price f.o.b. Cape Town.

15689. You made a point that the Colonial-made pipe leaked?—Yes; it is porous.

15690. Are not all pipes porous?—Up to a certain extent, but they are tested up to a working extent. There is nothing under the sun which is not porous with sufficient pressure.

15691. Has it not been necessary to lay Doultons' pipes in cement?—Not for ordinary purposes.

15692. For good work?—It may be with some architects and engineers who will insist on a very high standard of work.

15693. It is nothing new to lay pipes in cement?—No.

15694. So it would be nothing new to lay a Colonial pipe in cement?—No.

15695. What is there peculiar in school furniture to prevent its being made here? —I do not know that there is anything peculiar at all. The only thing is if a man sets up a plant to turn it out well and good, but do not let him think he can do that with ordinary wood-working plant.

15696. Have you anything to show the Commission we cannot turn out?—No. The only thing is they have had opportunities, and there are desks which have been made locally.

15697. School furniture comes in free?—Practically free.

15698. And the maker of furniture here has to pay a higher freight on his raw material, and he pays on waste. You contend it cannot be made here?—It can be made here, of a type. There is a schooldesk and a schooldesk. You can make a schooldesk, and it will strike any one at once as a schooldesk, but when it comes to looking at it from a hygienic and comfort point of view it falls short of the mark. [See witness's note at end of his evidence.]

15699. We have it in evidence in Grahamstown that they are making school furniture successfully?—As a matter of fact I can assure you that I have shipped any quantity of school furniture to the Albany School Board and other School Boards in that Division and in Grahamstown. I have a consignment for Grahamstown coming in on the "Gascon" on Monday.

15700. How are the school furniture tenders given out by the Government—through the School Boards?—The Cape School Board will make a contract for a certain given time, and other School Boards call for tenders, and agents or merchants tender.

15701. Do you mean to tell the Commission that these carpenters' benches the boys work at at school cannot be made here?—They are made here. They are not school furniture. Practically all carpenters benches for educational purposes are made locally *without* protection. There is nothing of a special nature about these benches.

15702. Take blackboards. Are they made here ?—Sometimes, but they are not satisfactory.

15703. Will you tell me what is unsatisfactory about them ?—The surface takes on a glaze, and if you are sitting at an angle the figures are lost in the peculiar glaze which comes up.

15704. That is a defect in the blacking of them ?—It is a defect in the making of them.

15705. Is it not a fact that the locally made board will stand better than the imported one ?—Certainly not.

15706. Not if the wood is seasoned in this climate ?—I have certainly never come across a local board comparing anything like with the imported. The question of blackboards, however, forms an infinitesimal point in school furniture. The bulk of school furniture consists of scholars' desks. You have five or six blackboards in a school and the whole can be turned out for as many pounds.

15707. They are made here ?—Such as they are.

16708. Take Indian clubs ?—They are not school furniture.

15709. They are classified under school furniture ?—Under school requisites. In the same way books and printing are classified as school requisites. By school furniture is essentially meant the desks the boys sit at.

15710. The desk is a plain piece of furniture ?—It is something that has been studied from a hygienic point of view, and there should be as little material as is consistent with the stability and comfort of the desk.

Witness adds the following note on question No. 15698.

"At the sitting I did not notice this statement. I dispute it altogether. The *lowest* freight rate for school furniture is 30s. plus 10% plus 2½%—the *highest* freight rate for timber (except for lengths which are never used for school furniture purposes—where the rate is also as above) is 22s. 6d. plus 10% plus 2½%. These are steamship rates. The great bulk of timber consignments come out by sailer—which is not practicable in the case of school furniture."

Garden and Vegetable Plants and Seeds.

Joseph William Mathews, Carl Stuber and Louis Dithmar De Groot, (of De Groot Bros.), Nurserymen and Seed Growers, examined on the following suggestions for the protection of the Seed Nursery Trade.

On all imported packets of seed, except novelties for propagation by nurserymen or seedgrowers an *ad valorem* duty of 50 per cent.

On all garden and vegetable seeds in bulk 12½ per cent. *ad valorem*.

On all plants, bulbs and roots, except novelties or unrepresented varieties for propagation by nurserymen 50 per cent. *ad valorem*.

We further recommend :—

The prohibition of the importation of all plants, bulbs or roots for sale by auction (or a duty of 50 per cent. on the price realized at such sales).

A special licence of Five Pounds be paid annually by all traders in plants, bulbs, seeds or flowers, except only the licensed street Flower Sellers.

That no person other than a holder of a special licence be allowed to sell or dispose of plants bulbs, seeds or flowers.

15711. *Dr. Viljoen.*] You say you want to put a stop to the sale of imported plants. You refer to the roses that are sold here by auction sales ?—*Mr. Stuber.*] Yes.

15712. Do you know they mostly all die ? Do you not think it is a very good thing for you, so that you can replace them again ?—*Mr. Mathews*] No, because the money has been spent and there is no possibility of getting it. It will help to teach the people that it is not to their benefit to buy them. Plenty of our customers have tried the experiment and have come back to us.

15713. What duty do you want on imported seed ?—We want 50 per cent. on the packets of seeds, that is including the 25 per cent. printed matter.

15714. Do you keep all Colonial vegetable seed in your shop here ?—We do not.

15715. Will you be surprised to hear that a gentleman went into one of the principal seed shops in St. George's Street, and asked for Colonial vegetable seed and could not get it ?—Not at all.

15716. And you want 12½ per cent. duty on it ?—We want to develope it.

15717. The reason given my informant was that you cannot prevent the hybridisation ?—No. That is for the development of the trade, and not to stop importation. We have a splendid country to grow seed, and yet there is scarcely anything being done in that way.

15718. Would that embrace the duty on such things as grass seed ?—No, not agricultural seeds.

15719. Potato seed ?—No, merely garden and vegetable seeds.

15720. Kitchen garden seeds ?—Yes.

15721. Do you really think the selling of the rose plant on the market is a serious competition with you ?—Very serious. Our sales in roses alone have dropped at least 50 per cent.

15722. Do you not think that will die a natural death ?—Yes, but it may take same time, and in the mean time we are losing our livelihood. It is a case of a living for us.

15723. You say in your statement : " The revenue would immediately benefit, as the value of imports into British South Africa will show," and you give figures. Do you mean to say we imported £14,684 worth of garden and vegetable seeds ?—Yes. That is to give an idea of the trade which might be done.

15724. Do you sell loose vegetable seed ?—Yes, we do a fair trade.

15725. Do you know the results are very unsatisfactory at times ?—It is quite possible ; you get it so with all seed.

15756. Are the vegetable seeds you sell all imported ?—The majority of them.

15727. Why cannot you collect the seed here ?—Because it takes a considerable amount of money to start an industry. That is what we are after—to try to get the industry started here—and ultimately we can compete with the Home market.

15728. Do you not think you can grow the vegetables as luxuriantly here as on the other side of the water ?—Most decidedly. We have a splendid growing season. We have the rains to grow them under, and a prolonged dry season.

15729. There are only a few months in which rhubarb dies off ?—It dies off in the winter.

15730. Still, you say you cannot compete with the imported article ?—Not until we are properly established.

15731. It does not take very much to establish a thing like that ?—It does. For one thing, before you can get a really Colonial strain you can rely upon you must grow it for two or three seasons. You can never tell what an imported seed will do if you plant it and raise it and then plant the seed from it. You must test it before sending it out. The progeny from imported seed grown here is very unreliable, and you must grow it for two or three seasons before you can rely on it. When once we are established here we can get double or treble the crops they get in the greater part of Europe.

15732. Have you consulted the other seedsmen in Cape Town ?—The majority of them, yes.

15733. Are they in agreement with this request of yours ?—Yes. The President of the Nurserymen and Seedsmen's Association of South Africa—Mr. Pickstone—is in agreement with it, and Messrs. Smith Bros. sent a telegram saying they did not support all the suggestions. But there is a meeting of the Nurserymen and Seedsmen's Association in Cape Town in February, and if it were not too late we could probably get the whole body to support certain recommendations.

15734. *Mr. Harlow.*] How many small packets of the imported seeds go to the pound in weight ?—I could not tell you. It takes a great many sometimes.

15735. Yet they come in duty free ?—As far as I understand. More elaborately printed matter we have to pay 25 per cent. on. It is an injustice to us really, because we are at a disadvantage compared with the oversea people.

15736. You suggest a duty of 50 per cent. ?—Yes.

15737. If this duty were put on how long do you think it would be before you could supply the whole of the markets of South Africa ?—It will take anything from five to ten years before it is thoroughly developed.

15738. What will you do in the meantime with the people requiring the seeds ? Could you supply them ? -Yes. We should have to import—which would be at 12½ per cent. in bulk.

15739. You have only just recently formed your association ?—On the 14th of last month.

15740. Do you include the whole of the nurserymen of South Africa ?—We are trying to include the whole of South Africa. We had one at the meeting from the Transvaal who set his name down to join the association.

15741. Do you suffer in any other way than by these auctioneers, and so forth, importing plants ; have you any other grievances ?—There is a very considerable amount of custom goes out of the country for varieties that we could supply here, and that is what we object to—people sending out for what they can get here, and which is better and thrives better than the imported article.

15742. You have some severe restrictions from the Government in reference to importation, such as fumigating ?—Very severe.

15743. Do you have your own fumigating plants ?—Yes.

15744. Have not the Government a fumigating plant at the Docks ?—Yes.

15745. Do they allow you to use your own, or do you use theirs ?—If they do not use theirs we have to fumigate them when they come up to us.

15746. Do they charge you for fumigating ?—I think so.

15747. From what country do you import your plants and bulbs ?—Holland for instance.

15748. You say no person other than with a special licence should be allowed to sell bulbs,etc. That is rather stringent, is it not ?—Yes, it is, but if you consult our regulations under which we are for the transport of plants there is a necessity. We have to keep the whole of our nurseries perfectly clean, otherwise we must be quarantined, and cannot sell anything. A private person can send the plants to any part of the Colony without being under any conditions of cleanliness whatever.

15749. If I had a garden I could send away anything I liked ?—Yes, but if it comes from a nursery, we must be under those stringent laws. We want to point out that the whole of the plants transported, should be under the same restrictions as we are under.

15750. Can you tell me how many nurserymen there are in Cape Colony ?—Between 200 and 300 registered nurserymen. I cannot say definitely ; I can let you know later.

15751. You might send the information to the Commission ?—I will.

15752. You do not include the agricultural interests in these suggestions ?—No.

15753. Do you grow many fruit trees or seedlings ?—We do not grow fruit trees in any form.

15754. You do not raise them for supplying to the farmers ?—No.

15755. Your line is just plants, flowers, bulbs, etc. ?—Yes.

15756. Do you export many South African bulbs from this country ?—Not a great deal. A fair amount are exported, but not so many as there used to be.

15757. Do you cultivate the South African bulbs at all ?—Yes, but not largely. It is only a matter of a few pounds a year. I would like to point out that several people have sent bulbs, etc., out here to be grown, and then they have been sent back to England. For such things the duty should be rebated.

15758. *Dr. Viljoen.*] They send them here to be planted because the soil is better, and then send them back there ?—Yes, they are trying to do it. We do not want to throttle this. They think at Home they can do this cheaper through our better climate.

Hat Making.

John Scott Holden, Managing Director of The Premier Straw Hat Manufacturing Co. Ltd.. examined.

15759. *Chairman.*] You wish to give evidence on the manufacture of straw hats ?—Yes.

15760. Have you looked at it from the point of view of the distribution to other centres ? You know it costs as much to send to Port Elizabeth and Natal as from England ?—I think not. We sent hats to Natal, and they turned out slightly cheaper than the English. We are not making anything on our hats at the present time ; it is really a loss. We started the industry thinking we should get support from the Government—to show it in actual operation.

15761. What number of hands do you employ ?—We have employed as many as 35 and to-day are employing 7. It takes two years to train a girl to be efficient in making straw hats.

15762. *Mr. Scott.*] Is the straw imported ?—Yes.

15763. Can it be produced here ?—I do not think so. It is principally the rice straw from Japan. There is straw of finer quality which is grown in Italy, but there is not as much used as the rice straw from Japan.

15764. What is the duty at present ?—15 per cent., and on manufactured hats 12 per cent.

15765. I suppose the freight gives you fair protection ?—Not exactly. It costs us to land our straw anything from 35 per cent. to 41 per cent.

15766. What is the percentage on the manufactured article ?—About 40 per cent. landed in the stores here.

15767. What would be the percentage of cost on the straw hats ?—About 40 per cent. to land them in the store. I asked a big firm and they told me that.

15768. Does your straw cost the same amount ?—This is the value of straw we imported and the cost : The value of the straw was £12 2s. 8d. Our charges were £4 19s. 2d. That was shipping charges and duty. We have also another case : value of goods £9 10s., and the charges £3 12s. 10d.

15769. That is about a third. Does that cover all the dock charges as well?—Everything landed in our store.

15770. So there is a difference of 10 per cent.?—That works out at 38 per cent. and the first one at 41 per cent. On the top of that we have to pay the increased cost of working. I should think we pay nearly 25 per cent. more in wages at the present time than is paid in Luton, and you have to take into consideration the waste of material in the manufacture, because there is always waste. You cannot press this stuff; it simply comes out tied with string; it cannot be put in a bale and pressed tight.

15771. It would damage it?—Yes: it is very brittle.

15772. Are these hats made by girls?—Yes. Our factory makes them by machinery. There are any amount made on wire frames.

15773. How long does it take to train them?—About two years to be an experienced hand. At Home a girl is apprenticed for about twelve months, and has to pay for learning the trade as well. Out here we pay the girls 10s. a week as learners, and try to encourage them to learn the trade.

15774. The difficulty seems to be for the other portions of the Colony—the cost of sending your hats round to the Eastern Province, for instance?—We have sent them all round and to the Transvaal as well, and we have had very encouraging reports about the quality of the hats and the cost they come out at.

15775. Can you produce your hat much cheaper than the imported article?—Not at the present time. They say to-day they are splendid value for the money. We guarantee not to change our price, in fact I think we would almost do them cheaper. I produce the best hat from the samples I have here, and also the cheapest article. We sell the best at 26s. a dozen, which would fetch 4s. 6d. in the shop. The cheaper hat we would sell at 10s. 6d. a dozen if we get this protection.

15776. You mean to tell us that if you get protection on your hats you will turn out a larger quantity, and ultimately try to reduce the price?—Yes. To-day South Africa is the only place for the dumping of hats from Luton. The Australian tariff is 35 per cent. on hats and plat goes in free, and it has been the means of erecting a number of factories, which employ hundreds of hands.

15777. And New Zealand?—I cannot say about New Zealand.

15778. *Mr. Pyott.*] If you get this protection from 15 per cent. to 25 per cent. will it increase the cost to the consumer?—Not at all; we will do our best to reduce it. We want the protection to stop the dumping. Hats are being landed to-day at less than the cost price in Luton.

15779. You do not call it dumping?—I do, when a man goes Home to buy them, and has a good time, and makes a profit. A man goes to the factory and buys them. I know hats have been sent out here with instructions to sell—nothing more.

15780. That is not dumping. That is a man on this side purchasing?—If hats are sent out here to a man, and the instructions are to sell.

15781. Are the hats sent out here in consignment?—These were not. They were sent out to a certain party here, and he had instructions from the manufacturer at Home to sell, irrespective of the price. We cannot compete against that.

15782. Your point is simply to close out these hats coming in in competition with you?—No. We would like competition, but we do not call this dumping business. We started making hats, and we made the general stock hat produced, which was considered the lowest price hat. We put it at 18s. 6d. a dozen, at which they were buying, and immediately we started in came a hat from England at 15s. of inferior quality. But the quality was not taken into consideration.

15783. Where do you place these hats?—Everywhere.

15784. It is simply the increased turnover you want, to reduce the cost of production and give you the market here?—Yes.

15785. What is the preferential railway rate for your manufacture?—The 2B rate.

15786. And the imported?—I think the imported go at No. 1 rate.

15787. You have a big preference over the railways?—Yes, but I understand they want to do away with it. We get no preference on railways under 100 lb. cases (that is by passenger train), which we shall never have as it would be too large. The 2B rate is not much to our advantage.

15788. Are you making this suggestion in case the preferential railway rate is done away with?—No. I spoke about this preference system in my letter. If the preference system we have now can be held we do not ask for any more preference.

15789. If the railway preference is given you do not want more protection?—You misunderstand me. We have the preference on the railway of the 2B rate. We do not ask for more preference on the railway.

15790. But you want the duty to be raised from 15 per cent. to 25 per cent.?—Yes, and the raw material to come in free.

15791. *Mr. Tod.*] How long has this industry been established in Cape Town? —I have been on it, with different materials, for about two years, but training the girls and taking on hands has been for the last nine months.

15792. Did you have to import skilled labour for the work?—Just one, and the others were trained. We had no one under contract there.

15793. Do you employ white or coloured?—Both. If the coloured have their wits about them we take them on, and make no exception, though we keep them separate.

15794. You import the straw from Japan?—It goes to England to be bleached, because the Japanese are not reliable in the bleaching.

15795. Do you not find you are making headway even under the present protection?—Our banking account is going the wrong way; we are losing money.

15796. What induced you to start?—The promises of several people that we should be supported before I bought a lot of machines. I had one machine and made the hats, and they said they were good.

15797. You did not take the probable increase of Customs duties into calculation in starting this industry?—I thought we should get it by the answers I got to my questions to the Customs and the prominent people I saw, such as Mr. Graaff and several prominent Ministers of the Government.

15798. How many hands do you employ to-day?—Seven.

15799. With 25 per cent. duty you think you would be able to do a much larger business?—I think we should be able to employ between 150 and 200.

15800. I suppose the value is mostly in labour? The straw does not cost much? —Not the straw. It is the labour and the trimmings. The trimmings often cost more than the straw.

15801. The value or the work of putting them on?—The value and the cost of putting them on. The highest paid hand is the trimmer. Trimmings go mostly on gent's boaters. Take the inside leather of a gent's hat sold at 5s. 6d. in the shop; that runs up to 2s.

15802. Show me the hat in which the greatest amount of labour is put in in proportion to the value of the hat?—The hat I produce is 16s. 6d. a dozen wholesale.

15803. How much would you pay in labour to make a dozen of those?—Those would cost us 16s. 10d., and taking off the value of the material would give the labour.

15804. Is more than half labour?—Yes. It is a special shape, and has to go through several processes.

15805. None of the material you require is grown in the Colony?—No.

15806. Nor likely to be?—We are trying to experiment with the straw, but that entails bleaching, which is very costly. In Luton they have the bleaching works. The straw is bought in the raw state.

15807. Where are those imported hats mostly made?—In Luton, England.

15808. Do they grow any straw?—A little. They grow wheat straw, but very few hats are made of it.

15809. *Mr. Harlow.*] You have no objection to the Commission seeing your factory?—I should be pleased.

15810. You say there would be an improved condition and a great field for the operations, with fair wages for many people. You have also told us you pay 10s. a week?—For learners.

15811. Will you tell us what they earn when they have learnt the work?—Today we have none who are what you may call perfect, who are prepared to go on piecework. We have two girls who are drawing a wage of 15s. a week.

15812. You consider that is a fair wage?—As regards experienced persons, the person in charge of the machine downstairs has a standing wage of £4 10s. a week, and an experienced trimmer has a standing wage of £2 a week.

15813. You have shown the hat which you say you produce at 26s. a dozen. You say the retail price is about 4s. 6d.?—Yes.

15814. That is practically 100 per cent. above your producing price?—Yes.

15815. Who reaps the benefit of that 100 per cent.?—The retailer.

15816. The buyer must pay that 100 per cent. profit?—Certainly.

15817. Therefore the distributor receives more in comparison than you do for manufacturing the hat?—Certainly. The manufacturer always gets less profit than the retailer.

15818. In reference to this dumping, why do you consider this is a dumping ground for these different things?—I think South Africa takes the biggest proportion of the straw hat trade of Luton as an export, because the States and Australia make their own hats. Helmets are made in India, but none are manufactured out here.

15819. Has the present tariff anything to do with it?—No, I hardly think so. It is a comparatively new thing in Australia—I mean to say in a large way—and I do not think it has really been thought about out here.

15820. If the tariff has nothing to do with it why do you ask for an advanced tariff?—To stop the cheap stuff being sent in.

15821. Therefore the tariff is at fault?—I do not think so, because the South African market has not been opened to the extent it has been this last six or seven years since the war.

15822. Are you the only hat maker in Cape Colony?—The only straw hat maker at the present time that I know of.

15823. Do you think it would be rather detrimental to place the whole of the straw hat trade in your hands?—We could do it; I would be only too pleased if we could.

15824. You could not supply the whole of South Africa?—Certainly not. When it takes two years to get a girl proficient I am sure we could not.

15825. Still, you ask for 25 per cent.?—Yes. At the present time there is 12 per cent.

15826. Do you not think that would raise the cost to the consumer?—No, because we should not make any difference in the price of the hats.

15827. But you say you cannot supply the whole of the demand?—Not right off, but we would have a good show if there was any chance of doing it. I think other people would start here. Firms would start here as they did in Australia; more factories would have to be started.

15828. Eventually, when they got in working order, it would not cost the consumer any more than at the present time?—I do not think so. If we were in a big way we could materially reduce the price of our hats, but it is an utter impossibility now. It is a trade which has to be learnt. If it was a case of taking on a man and in a month's time being able to do anything with him we would not ask for anything.

15829. Is it impossible to grow the rice straw in this country?—I think it would take many years of experimenting. There is only one straw I have seen so far which might be used, but then you have to consider the bleaching process, which is a very costly item. We shall leave no stone unturned to try it with this straw, but with the bleaching and the importing of so many things for it we shall be bothering you to knock the duty off different dyes and one thing and another.

15830. *Dr. Viljoen.*] Could we not perhaps assist you in some other way? It impresses itself on my mind that these are very nice hats, and it will give employment to the women—light work?—Yes.

15831. There may be difficulty in giving you 10 per cent. or even 15 per cent. But supposing we take away the duty on the raw material and get it in free, will that be of any assistance to you?—Yes, it would be of some assistance, but still it does not give you the return you should really expect on your capital in this country, because the straw hat trade takes a tremendous amount of capital.

15832. If we were to take away the duty on the raw material—the straw—you say it would not benefit you much?—No, but we should have a shot at it.

15833. It seems rather an anomalous state of affairs to get the manufactured article into the country at a lower duty percentage than the raw material?—Yes. I suppose the industry of manufacturing straw hats has never been thought of before. I do not think there was any animosity towards the industry. Mr. Harlow asked me about wages. In Luton there is a hat for which a girl is paid 1s. 9d. per dozen for machining. They buy the straw and machine it according to the proper pattern. For that hat we are paying 2s. 5d. to-day, and they cannot make a wage at it. Still, of course, they are learners. We do not want to do a sweating business and make a 25 per cent. or 50 per cent. dividend. We want the industry to go ahead. We intend to go in for bleaching. We are experimenting this week with bleaching. It is a fine country for bleaching but a bad country for making straw hats.

15834. Good for bleaching on account of the atmospheric conditions?—Yes. By bad for making I mean it is hard to regulate the raw material.

15835. *Mr. Kayser.*] Have you been brought up to the making of these hats?—No. I have been connected with manufacturing industries all my life, but not particularly of hats—cottons and woollens.

15836. Will you tell us exactly how much of this hat is Colonial made? Is the straw plaited in this country?—No; the straw comes like the same produced.

15837. The labour here is sewing and shaping the hats and putting the trimmings on?—Yes.

15838. It is on that basis - the benefit of employing the girls to work machines for sewing the straw—that you ask for the duty?—Yes, the factory is exactly like the factories at Home and they do no other process in making the hats than we do here.

15839. Is it impossible to plant that straw in the country?—Yes.

15840. If that is the case why are you experimenting with bleaching?—We are experimenting with the mealie straw for bleaching purposes.

15841. But not to make straw hats?—We may try afterwards. I have been told by a man that he has seen some hats made by the Kafirs of mealie straw. I said I would try it.

15842. Are you quite sure of your facts in regard to the duties in Australia?—Yes. I got it this morning from the New South Wales representative out here.

15843. The tariff on hats is a little higher than you say. Hats pay 35 per cent. with a preference of 5 per cent., which makes it 30 per cent. from England, but on the other hand trimmings pays 25 per cent. and 15 per cent. from England. The only duty I can find on straw is 1s. per cwt., but that means raw straw. That does not agree with the information given you; at all events, you are giving the information as it was given to you?—That is what I was told this morning.

15844. It appears to me you are really in as good a position to-day as the Australian manufacturer. That is as far as I can see from the Tariff; I may be wrong?—Of course I was not aware of that; I only give you the information as I got it.

15845. The main point is you are asking us to protect an article which is imported almost in its manufactured state. It is merely the labour you want to protect?—They have tried to do the plaiting in England and that is the state in which it enters England, only unbleached. Take the straw hat at Home and the climate this summer. There has been no summer; it has been simply a downpour of rain. Luton is full up with hats, and they are sent out here at any price.

15846. You said the cost of importing that material as it stands is 41 per cent?—Yes.

15847. And you cannot tell us from your own knowledge what the cost of importing a hat is?—About 40 per cent. I got it from Messrs. Payne & Bonner's, the hatters, who I think import as many straw hats as any one. They can pack the hats, by nesting them, into perhaps the same space as a straw.

15848. Do you intend to make other hats?—Yes, everything we can.

15849. You do not think it would help you even if the Customs Union went as far as to give you the raw material duty free?—We should be very thankful indeed for it.

15850. *Mr. Scott.*] Does your proposal refer to ladies' hats as well?—Yes. We are going into everything. There are any amount of straw hats made here by milliners. All ours are machine-made. The Leghorn and Java hats, which are the very best, are not brought out here, because they cannot be nested and it is very expensive.

15851. Is there any danger of protecting hats which you cannot make?—No. We can takle anything in the way of straw hats.

15852. You do not know the Tariff in New Zealand?—No.

15853. The Tariff is 25 per cent. on hats and the straw comes in free, but trimings are 25 per cent. Would you be prepared to pay 25 per cent on your ribbons?—We are paying 12 per cent. now on British goods and 15 per cent. on foreign.

15854. Would you be prepared to increase the duty on your ribbon a little bit?—If you gave us the 25 per cent. on hats?

15855. Yes?—Yes.

15856. *Mr. Pyott.*] Do you tell us the straw cannot be plaited in this country?—I dare say it could be, but not at the cost. They have tried it in England and cannot beat the people in China and Japan. The cheapest hat which I have here is the straw unbleached—the natural colour of the straw before being bleached.

15857. *Mr. Scott.*] Is it hand-plaited?—Yes.

Jewellery.

Albert Ford and Francis Henry Stevens, Watchmakers and Jewellers, Representing the Society of Manufacturing Jewellers, examined:

15858. *Chairman.*] Will you state what you want to bring before the Commision?—*Mr. Stevens.*] I am speaking from an experience of twelve years in South Africa and ten years in Australia as a manufacturer. The manufacture in the Colony at the present time is practically at a standstill, and is likely to remain so under existing conditions, as the greater proportion of Colonial jewellery is made from the designs of the South African manufacturers. It does not matter what design is produced here; if there is any demand for it it is immediately sent Home and reproduced, and mostly of a hollow kind, which accounts for the trade being in such bad condition. If the maker here could register his design at a nominal cost it would be of great benefit to the manufacturers in this country, for the simple reason that he spends perhaps a week in getting out some small design which takes very well to the public and he has no protection for it. If he shows it to any one or submits it, the next thing he sees is the same article manufactured by his next-door neighbour. You can register a design, but it costs about £16, which no small manufacturer can pay. I am surprised to see the small amount of jewellery that is imported into this Colony, because from my experience there is a greater amount sold in this country that what is accounted for in the imports.

15859. Are you taking the bad times into consideration?—I am taking the shopkeepers—the turnover they must have. I am positive Adderley Street alone can account for more than that in twelve months, because the jewellery is not manufactured here. It is all imported, or say 75 per cent. is imported. I would like to speak on the point of the protection which would be required to manufacture two-thirds of the jewellery which is at present imported. The manufacturer at the present time is able to manufacture all the solid articles that are imported under the existing tariff, but those goods would have to be marked with his initials and the Government stamp on, otherwise he would find no market. Taking the lighter class of goods, which contain very little gold and very much labour, the tariff necessary to protect them would be really just sufficient to cover the extra cost of production, because no man can employ labour here and pay high wages and expect to compete with the man in Birmingham. Naturally, the manufacturers have left here and gone to Birmingham and send their merchants here to sell their goods.

15860. What protection do you ask?—Take a gold chain, containing say £15 worth of gold. That article may be produced with 10s. worth of labour. Naturally, getting our material on the spot, we would require no protection, the cost of production being so little on the gross amount; but taking another article, containing say 1s. worth of gold and 2s. worth of labour, you would have to base your protection accordingly because to be of any advantage to the manufacturing jeweller you must have a high tariff. It must be sufficient to allow him to compete with the foreign makers.

15861. Are you prepared to say what you want?—We could not arrive at that very easily, because there are so many classes of jewellery and so many different kinds. Some jewellery would never be manufactured in any Colony, for the simple reason that these things are made in special factories in Paris, London or Birmingham, which supply the world. There is not room for two factories of the one description in the world. I have had considerable experience, and with the present high tariff in Australia I find the goods are cheaper than the imported article, so there is no fear of the public being charged more with the tariff put on. In regard to the other points of the oversea carriage and such things as medals, I think Mr. Ford can give you an idea of a few items which the trade looks upon as an injustice.

Mr. Ford.] Up to the present we have had the manufacture of medals, rings and ordinary solid articles of jewellery of catalogue prices here. Paying the wages we do in comparison with the wages paid at Home, we find it rather hard. But we should not count that so much if we could only get the quantities to do; but we are rather handicapped owing to the manufacturers disagreeing with us on the qualities of the metals supplied. We can give them our written guarantee, and they have their remedies if it does not prove to be as we state. But that is not satisfactory in the Colony. They want a mark of some description from the Government as a guarantee that the article is good.

15862. You are rather going beyond the scope of our inquiry, because we only deal with the Customs Tariff and Railway Rates. We are prepared to listen to any suggestions you may make about any alterations in the tariff?—*Mr. Stevens.*] It is a very small industry in this country, but it is surprising what springs out of that one industry.

Mr. Ford.] Why I refer to the marking is that we, having to work on the imported price, are under a disadvantage, because as we can compete with it the want of a market prevents us from doing what we could. I was really meaning that if we should have a protective tariff put on any solids like that which could be manufactured, it may make some difference for us, and prevent the import of things which we can make at an equal price. The quantities they give us do not ensure really enough work, and as a matter of fact we have had to reduce our staff considerably through it.

15863. Have you any suggestion to make about the tariff?—*Mr. Stevens.*] I would like to give you an instance of medals, cups, badges and trophies for sporting bodies in this Colony. At the present time you can import these articles free of duty, provided they are engraved abroad. That means if a shopkeeper imports his medals and pays the duty he has to pay the engraver here the extra cost and he cannot compete. All those goods could be manufactured here, in fact anything of a solid nature. The consequence of these medals alone has been, to my knowledge, that it has sent three engravers out of this town. Then there is another item. Any person can go round this town and buy diamond jewellery, send it home through the post, declare it here, and have it returned in a manufactured state by paying the duty on the cost of manufacturre.

The Secretary.] That is not so now.

Mr. Stevens.] I know cases where it has been done, but it must have been altered.

15864. *Chairman.*] You have not suggested any alteration in the tariff?—*Mr. Stevens.*] I should suggest if the tariff is to keep the manufacturing jeweller in South Africa, give him the same opportunity as, say, Canada or Australia, and you will have two-thirds of the jewellery which is at present imported, manufactured in this Colony. Of course the stamping of the jewellery would have to be arranged for ourselves, and give our guarantee through the Association, the same as they are doing in Australia at the present time. Each Association there has its own stamp and they mark the goods, having officers to see that the goods are of the proper quality. Of course it is much better to have a Government mark.

15865. Is that all you wish to bring before the Commission?—That is all I can say in regard to the tariff at the present time.

15866. *Mr. Tod.*] Do you know the Canadian tariff?—It runs from 5 per cent. up to about 35 per cent. roughly speaking. I believe the Australian tariff is a little lower, but at the same time I would not advocate the same high tariff as in Australia, because you can buy goods in Melbourne cheaper than the imported, because the manufacturing jewellers are competing. Any manufacturing jeweller can buy the material and manufacture in a small way.

15867. That complicated classification you speak of would be difficult to operate?—It would not matter for the public. If you put 50 per cent. on the whole of the goods there would be no fear of the public being overcharged, because one manufacturer is as keen as another to get the trade, and has to keep his prices accordingly.

15868. What is the present duty on jewellery?—I believe 12½ per cent. and 15 per cent. on foreign.

15869. You contend that that is not sufficient to make up for the difference in the wages paid?—On the solids quite sufficient, but not on the hollow goods.

15870. As you pointed out, the more valuable the article the less percentage of protection you require?—Not the more valuable. A manufacturer may charge 15 guineas to make a diamond brooch, and there may not be 10s. worth of material besides the diamond.

15871. At present if a diamond ring is imported the duty is assessed on the whole value?—That is only fair, because you have to pay the duty on the diamonds. In Australia they work it differently. Cut stones are imported free. That is an enormous protection to the manufacturer, because the diamond setters in Sydney alone have ample work, for the simple reason that any one importing diamond goods has his mountings manufactured in Birmingham, London or Paris as the case may be, and they are sent to the Colonies, and when I was there they paid 15 per cent. duty on those articles in an unfinished state. The diamonds were naturally in another parcel, and came in free, and they put them together, which found work for a large number of setters.

15872. Is that the practice here?—No. Here you pay the same duty on your cut diamonds as you do on your manufactured article. Of course if stones of all descriptions were free that would give a large amount of work for specialists in stone setting.

15873. Are there many men engaged in the industry?—At the present time you will find 75 per cent. of the manufacturers in the country are working in the Transvaal. They were working in Cape Town.

15874. Where there many men employed in Cape Town when things were good?—I had eight men, and at present time I am standing still just keeping the shop open with a boy, waiting for things to improve. During the busy time my output was about £400 worth a month. There was no check on me. I could have manufactured a thousand pounds worth of gold goods in my shop and sold them round the country, and no one would have known how they were made.

15875. Your good faith about the gold would have to be taken?—The shopkeepers would but not the public. I can manufacture in Cape Town with the existing tariff, but I cannot compete on account of there being no hallmark or Government mark. That is the great stumbling-block of manufacturing jewellers here—on gold things particularly—because unless the manufacturer marks his goods you have no protection against him.

15876. It appears to me you want that remedy rather than the tariff?—That would come about I think if the tariff was remedied.

15877. The present protection is 12½ per cent. from England. What recommendation do you make?—If I made a recommendation I would leave the tariff on all solid goods the same as at present, and on hollow goods, which entail a large amount of labour, I would double that tariff.

15878. Is it a very easy matter to distinguish between solid and not solid?—Yes.

15879. The Customs would find no difficulty?—None whatsoever; in fact the manufacturers at Home who manufacture the hollow goods do not manufacture solid ones.

15880. There is much more work in connection with the hollow goods?—Not such a great amount of extra work as there is in the intricate machinery you have to have. If you manufacture hollow goods in this Colony the output is not sufficient to warrant much machinery, and therefore you have to use one set of machinery to produce goods in gold and silver.

15881. Is there much machinery used in your business?—A great amount of machinery—most of which can be manufactured in South Africa. I personally have sufficient machinery for fifty men for manufacturing, and some of the machines I have are quite sufficient for 200 men.

15882. You are not interested in other work, such as watches?—I do not think those will ever be made in any of the Colonies. These are made in different departments of the Continent and all over the place in pieces, and they are really all assembled in the workshops in Europe and put together. You cannot call it an industry.

15883. You recommend the existing tariff on solid goods and double on the hollow goods?—Yes.

15884. *Mr. Scott.*] Can you tell us why 75 per cent. of the jewellers have gone to the Transvaal?—That is a question which I think requires a private Commission Inquiry. We all have theories, and there are things you let the Government inquire into. When you find one manufacturer can pay the same wages or more and can undersell you in the market you begin to think there is something radically wrong, and I always think that is for the Government to inquire into; I do not think it is a matter for this Commission.

15885. Do they pay higher wages in the Transvaal?—Naturally I should say so, and I may say the labour required in the manufacture of jewellery is generally white labour.

15886. Is there much of the jewellery made in the Transvaal coming into the Cape Colony?—A great amount.

15887. Then of course the gold is produced there, which makes a great difference?—That we cannot say. There is a difference somewhere which we will leave to some one else to find out.

15888. Did you give the number of workshops?—In Cape Town I do not suppose there are over 200 working jewellers, and there ought to be at least a thousand.

15889. Is it long since the number of workmen went to the Transvaal?—No. It has always been so since my recollection—that most of the manufacturing jewellers after being here a certain time have found it did not pay them here and have gone to the Transvaal, and there they seem to stop.

15890. How long have you been in business in Cape Town?—The last twelve years.

15891. *Mr. Kayser.*] Is it not on account of the population in the Transvaal that the engravers go there?—I cannot say that they go to the Transvaal. I speak of three engravers having left the country. The depression may have something to do with it, but I take it the engraving oversea has a lot to do with it.

15892. Has that occurred lately?—I believe it was only at the time of the last tariff that most of the people found they could do so.

15893. Have they left during the last two months?—Two years ago they left.

15894. What was the difference in the tariff?—I think 7½ per cent.

15895. In the previous tariff, cups, etc., came in free?—I know since the last tariff more of these goods have been imported free than before, because I think most of the association did not know about the former tariff.

15896. Is not that because the *ad valorem* tariff was increased and made the goods dearer? They would not bother about 7½ per cent.?—Yes, that may be it.

15897. If you double the duty it makes people seek the cheaper market?—Yes.

15898. Do you import any of these cups and medals?—We do not import anything; we are purely manufacturers.

15899. You made a remark that these cups were imported?—I said if the retailer does import them he has to pay his duty and pay his engraver for engraving them, and naturally he cannot compete.

15900. If you do not import you cannot speak about the import trade?—No, but that is a point.

15901. What do you mean by manufacturing at catalogue prices?—*Mr. Ford.*] A certain number of catalogues are sent from the British firms to us, and if anything is wanted manufactured here in a hurry they send us the catalogue price and say they can import it for that, and we have to make it for that price. If they have time to wait they send home for the article and have it engraved and get it in practically free.

15902. Is there any discount on these catalogue prices?—5 per cent. on some.

Mineral Waters.

Hermanus Johannes Niehaus, Manager, Van Riebeek Natural Water Co. Ltd., examined; put in the following statement.

VAN RIEBEEK NATURAL MINERAL WATER.

DUTY ON IMPORTED WATERS.

The duty on imported waters is 25 per cent.

The duty on our requirements is very heavy.

Take Gas ...	the duty is	3	per cent.
Bottles...	„	3	„
Cases ...	„	15	„
Straws...	„	15	„
Labels ...	„	25	„

FREIGHT.

The freight on imported waters from oversea is from 22s. 6d. to 25s. per ton to any of the S.A. ports.

The Van Riebeek Co. have to import empties such as bottles, straws, cases, corks and gas.

The freight on the bottles alone is as much as the freight on the imported water. But then there is the freight on gas—which is about 45s. per ton, the freight on corks and labels too is very heavy. It works out that empties imported pays about 33 per cent. more in freight than the full bottles of imported waters.

The freight to Port Elizabeth for imported water is roughly 25s. per ton.

If we wish to compete at that centre we have to meet an extra freight from Cape Town of 15s., plus 5s. for shipment and a further 5s. for landing, total 25s. It means that to compete at any of the coastal ports we have to pay double the transport of the imported water.

Appended is a copy of a letter written four years ago by one of the largest wholesale houses in the Liquor line. Two years ago we did reduce our price to a level of the imported article and straight away the orders came in. But yet the business is very restricted, as the public argue that there is no reason for their having to pay the same price for the Colonial article. Why we do not know—for on quality the value need not be disputed.

The hotel trade buy their Riebeek at prices 50 per cent. below that of the imported water—thus :—

A Small Riebeek costs	2½d.	and retails at	6d.
Apollinaris	4½d.	„	6d.
A Large Riebeek costs	3d.	„	9d. to 1s.
„ Apollinaris	7d.	„	1s.

The business with a small turnover does not pay, but with the higher turnover it is at once profitable. The first cost to us is the great consideration, for we have to meet the charges of our Spring rights, factory buildings, machinery, plant, rolling stock, etc. The only additional cost to us in putting larger supplies on the market, is the cost of material and labour.

The Van Riebeek Company spends locally in wages and other expenses roundly £500 per month. Being a limited liability Company it has to pay the Government fees of £37 10s. 0d. per annum. Apart from that is the mineral water licence.

If the duty on the imported article were raised by another 25 per cent., it would mean that we at least would be receiving fair treatment.

COPY.]

Port Elizabeth,
8th December, 1903.

The Van Riebeek Natural Mineral Water Co., Ltd.,
3, Lower Waterkant Street,
Cape Town.

Dear Sir,—We beg to acknowledge the receipt of your favour of the 1st December, for which we thank you, and in reply thereto, we have to point out that your Mineral Water landed here costs just the same as the Imported Apollinaris, whereas, Johannis, Victoria and Harzer Sauerbrunnen Waters cost much less, viz., Pints, 3s. 7d. and Splits, 3s. 2d. both less 5 per cent., consequently the Hotelkeepers make double the profit on these last mentioned imported waters than upon Van Riebeek, and there is, therefore, no inducement for them to push the sale of Van Riebeek Water.

We are dear Sirs,
Yours faithfully.

15903. *Chairman.*] Do you wish to add anything to your statement ?—I would like to add one thing, and that is the question of railage on the returned empties of the Van Riebeek Water Company.

15904. Do you want that reduced ?—I would like to add a few facts in regard to the railway charges on the empties. It appears that the railage on these at the present time is half of the 2D rate over the Cape Government Railways. For all produce of the Colony such things as wine casks, farmers' lime bags and baskets used for the produce of the country, which have been forwarded by rail, are returned over the Cape Government Railways for the first 273 miles at no charge, and after that they are given a very special rate—that is, over the distance of 273 miles. The Van Riebeek Company, whose produce is entirely local, are charged this particular rate for one mile or any distance.

15905. You could not carry bottles at the same rate as lime sacks ?—Take wine casks, for instance.

15906. What is the difference in the two rates?—The difference would work out about 1½d. per hundred pounds. We have to pay about 1½d. per hundred pounds for our empties.

15907. For what distance?—Take that to be for over ten or twelve miles. If I rail a case of empties of 100 lbs. from Cape Town to Bellville I have to pay 1½d. on that case. Of course when there are thousands of cases per annum it means something. Then our clients returning their empties from up-country are made to pay the railway charge, and that acts as a deterrent to the business.

15908. Do you really think you want increased protection on your production?—Undoubtedly.

15909. Do you not think it is to some extent the fault of the retailing? We speak from experience. We understand your charge is about 2½d. a bottle?—For the small bottles.

15910. In Cape Town we have to pay 9d. and 1s. for that. What protection will protect you if we have to pay such rates as that? Can you put your product on the market to sell it at a reasonable price?—The hotelkeepers regard mineral waters as a sort of bait they can hold out for a good order. They make 200 per cent. to 300 per cent. on soda water and the same on Van Riebeek water, but when the Foreign water comes in they are quite prepared to take 100 per cent. The large Apollinaris is bought at 7d. and 7½d., and it is retailed at 1s. Now at Port Elizabeth we have to import our empty bottles. The freight on these is 22s. 6d. per ton. The freight on a ton of Apollinaris, with the gas and water in the bottle, the cork in the bottle and the label on the bottle is 22s. 6d. to Cape Town or 25s. to Port Elizabeth. My company have to import the gas, on which the freight is 45s. a ton, and the corks, on which the freight is a very heavy item. They have to import labels, which I think we might be able to get produced locally now, and they have in the past imported the box, but now with the 15 per cent. duty and the extraordinarily good work turned out by the local wood merchants we are placing our orders locally.

15911. If this 15 per cent. were taken off the boxes you would still import them?—Yes.

15912. It is that which makes you have your boxes made here?—We have every box made locally, and the bottles come out in bales. I may say the local box is superior to the imported box. I have lately had samples of wood submitted by a certain local firm made of Colonial wood. This wood is very tough. It is heavier, but we are now planning to get it planed down somewhat lighter, and then we will use Colonial wood. It will be heavier but thinner; we think it will answer. In order to get our empties here we pay 33⅓ per cent. in freight more than the Apollinaris company pay to their goods over. But the difficulty only starts now. The Western Province gets its supplies *ex* Cape Town. There is an enormous trade to be done at the up-country parts, such as away inland, or Port Elizabeth and East London, round into Natal and the Orange River Colony, which draws supplies from Port Elizabeth. In order to get our Van Riebeek water to Port Elizabeth we have to pay 5s. for shipment, 15s. for freight and 5s. for landing, making an extra 25s., or practically double the freight on Van Riebeek as on Apollinaris water landed at Port Elizabeth. The Apollinaris Company when shipping ship direct *ex* Antwerp to Port Elizabeth, and the freight is 25s. per ton. The Van Riebeek Company have first to import their empties, which costs 33 per cent. more than for the Apollinaris. We have to fill those bottles here and then pay for shipping, freight, landing and other costs—say an extra 25s. over the price of the Apollinaris landed in Port Elizabeth.

15913. What is the reason you have to pay 33 per cent. more on empty bottles?—It all goes by cubic measurement. We would take eight cases of Apollinaris water going to the shipping cubic ton. The Van Riebeek water bottles, although weighing very much less, occupy the same space and, therefore, have to pay the same freight. With the Apollinaris the gas is in the water, the cork in the bottle and the label on the bottle. It comes out inside that case, which goes by measurement.

15914. Against that you get your own bottles returned here?—Only locally, but not from Port Elizabeth, King William's Town, the Transvaal and those places. The expense of railage from there will be too great. Not one bottle is returned from the other side of De Aar, except by the Cape Government Railways, who return their bottles from the refreshment rooms.

15915. Has your trade increased under the last Convention?—Our trade has increased.

15916. You have benefitted under the last Convention?—Undoubtedly we have benefitted greatly. I may say my account has increased by about £200 per month. I have a letter here which was written on the 8th December, 1903—prior to the last Convention—by Messrs. Rolfes, Nebel & Co., a very large firm of wholesalers whom we were constantly egging on to sell the Van Riebeek water (reading letter attached to statement).

15917. Conditions have altered since 1903?—Yes, but we lowered our price to that identical figure. Those were the conditions then—that we could do nothing—but with the extra duty from 7½ per cent. to 25 per cent. our trade immediately went up; there was immediately a demand for our stuff. As a matter of fact, our account in those parts increased at the rate of £200 a month.

15918. Do you think the real remedy is to find some means of putting your article on the market at a reasonable price?—We sell to the bottle-store keeper at 2s. per dozen, or 2d. per bottle, and a large bottle at 2¼d. The bottle-store keeper in return sells to the public at 3d. a bottle. Any private individual can buy a dozen of Van Riebeek water through Green, Collison or one of our wine merchants at 2s. 6d. a dozen for small bottles and 3s. per dozen for large bottles. The crying shame is the moment we come to the hotels. My directors have made every effort to get the hotels to reduce these prices. We have offered them every inducement. We offered them that their profits should all the time be 100 per cent. We said, "We will supply you with this water at a price which will allow you 100 per cent. profit on your price to the public." We could not get them to do it.

15919. *Dr. Viljoen.*] Have you got an analysis of the water?—Not with me, but we have it.

15920. Will you put it in?—Yes.

15921. Could you supply the requirements of the Colony?—The amount of water we use at our spring at the present time is about one-ninth of the flow.

15922. You have sufficient water there running to waste to replace all the water now being imported from oversea?—Far in excess.

15923. That is being wasted at present?—It is running away at the present time.

15924. Eight-ninths of it goes to waste?—Yes.

15925. In the meantime we are importing water from the other side of the ocean?—Yes.

15926. Can you tell us the quantity of water you bottled last year?—The quantity we put up last year was a little over a million bottles.

15927. What is the quantity of mineral water imported oversea into the Union?—*The Secretary.*] The total quantity imported last year through Cape Colony ports was £12,000. *Witness.*] I have gone into that question. That would amount to about 7,000 cases, or 700,000 bottles. That is only the importation into Cape Colony. *The Secretary.*] For South Africa it was £27,000. *Witness.*] That would be 1,800,000 bottles.

15928. You have sufficient water there to supply three or four times the consuming population that we have at present?—Yes.

15929. There is no fear of our having none to supply?—None whatsoever. This spring has been known for the last seventy years.

15930. Is the run of your spring constant?—It is gauged day by day and the flow has never been known to vary. This is one of the matters we look into most carefully. The flow has never been known to vary for the last eleven years since we have been there.

15931. The position is this that the water is there and one-ninth you use whilst eight-ninths goes to waste, and the supply is constant?—Yes.

15932. I suppose you employ a considerable number of people in the place?—Yes.

15933. Not alone in bottling but in the delivery?—Between 30 and 40 hands.

15934. We find here that for drawing the cork the ordinary hotel man charges 9d. on the large bottle?—Yes.

15935. If you want to send your stuff from here to Port Elizabeth I suppose the freight is the same to East London?—No, heavier by 2s. 6d. I was quoting the Port Elizabeth freight.

15936. It seems from your statement that the freight from here and landing and delivery is actually the same as the freight from Antwerp to Port Elizabeth?—Identically.

15937. You have to pay as much to get your goods from here by sea to Port Elizabeth as the man sending from Antwerp?—Yes; that is including the shipping and landing charges.

15938. I see you are not treated in regard to your empties on the same lines as the farmer sending his empty cask?—He sends empty casks, egg and raisin boxes, and the wine merchants of Cape Town their hogsheads.

15939. You have to pay from point to point?—All the time.

15940. You think that is a grievance?—I think it is an undoubted grievance. I may say that the Van Riebeek Water Company directors have spent thousands upon thousands of pounds in building up the business. I take it there is always a market for the farmers' produce. We have been working in this way, and then we are handicapped with all these charges.

15941. Of course, if you get additional protection you do not mean to put up the price of your article?—What happened the last time? The moment we got this protection we lowered our prices to the prices of the imported waters. The position was that when that duty came on we said, "They have the duty of 25 per cent. to meet and they will now become lax in their efforts to push imported waters, and we must reduce our price to make the public take to it thoroughly." We immediately reduced our price to what imported waters were prior to the duty. The result was instantaneous. Where the protection was so badly wanted our sales went up £200 a month, which meant an increase of 20,000 bottles a month.

15942. The consumer will not have to pay anything more?—Not a fraction. We have to maintain that spring there. Whether we bottle one bottle or five million bottles that charge remains the same. Our machines are able to deal with a very much larger quantity at present, and whether we bottle one or five million bottles, except for a little extra wear and tear of the machine, it is the same.

15943. Has the sale of Van Riebeek water materially increased since the last Convention?—It has increased by about 25 per cent.

15944. You are asking for an additional 25 per cent., which would be 50 per cent.?—Yes.

15945. You anticipate, of course, that your sales would increase?—Yes, undoubtedly.

15946. Of course, it is a very self-evident thing, that if your bottling increased 100 per cent. you would have to employ more men in your place?—I was coming to the fact that our only extra expenditure is extra material like bottles and corks, and apart from that a double output means employing double the number of people.

15947. You will give employment to a larger number of people and perhaps a larger number of cork-drawers?—Yes. I may say the Van Riebeek Company are encouraging farmers' sons in the bottling work.

15948. I am glad to hear you are using Colonial boxes. Are they satisfactory?—The sample sent us was very good.

15949. It compares favourably with the imported article?—Yes, and it does not cost us more.

15950. You say even your printing will be done here?—We are obtaining the quotations now, and they cannot be beaten by the Home firms. We will accept the local tenders within the next month.

15951. If you could get any of the other material here, like bottles and corks, you would buy them, I suppose, but you cannot get them?—There are no bottle factories here, and they are out of the question. I have always been instructed by my directors that even for a matter of 10 per cent. or 15 per cent. I must not go outside the Colony if we can find local producers of the article we want. I am trying hard to get people to take up the manufacture of straw envelopes. There are enormous quantities used. On the farms with the spare straw they could be made by the children. There is a very big demand for them.

15952. *Mr. Harlow.*] How long is it since you placed an order oversea for imported labels?—Two years ago. We then placed a very big order. That was prior to the Customs Convention.

15953. Will you tell us about what amount of bottles you use annually?—The importation of bottles used during the year came to about £3,000 worth.

15954. Have your company ever considered the advisability of having a bottle factory here?—I was approached by a Transvaal concern some twelve months ago. We were prepared to stand in with them, but on going into the matter they found they would have to place their bottle factory in the Transvaal. We have not tried it locally.

15955. You have plenty of sand?—Yes.

15956. That is the main ingredient of bottles?—Yes.

15957. Supposing a higher tariff was placed on bottles, would you think of producing them yourselves?—I do not say we would ourselves, but we would support the local product.

15958. You do not think you would be justified in having a factory of your own?—I do not think so. The turnover is not large enough. The plant is very large, and I do not think we would be justified.

15959. Do you manufacture any other kind of mineral water?—None whatsoever—only the plain Van Riebeek.

15960. Provided there is a higher tariff put on imported mineral water, would it induce you to go in for other manufactures?—It would.

15961. Take, for instance, a mineral water which is largely consumed here—ginger ale?—I have samples of ginger ale in my office which my directors are dealing with—to put a ginger ale on the market to compete with Ross' Belfast Ginger Ale. I think it is equal to the imported.

15962. You would be in a position to meet the demand if the duty were raised?—We have been contemplating putting it on the market, but there is no inducement. We have already had our hard experience with Van Riebeek. There is no inducement to do it, although we are negotiating with a manufacturer of essences and so forth. We have not gone out of the country for the essences; they have all been prepared by local firms.

15963. As a matter of fact, there is a certain amount of prejudice against your Colonial manufacture?—Very great, but I think it is dying down. A man asks why he should pay 1s. for a bottle of Van Riebeek when he can get a bottle of Apollinaris or Schweppes for that.

15964. You mentioned in regard to straw envelope making that the machines could be imported, and the farmers could make up the straw into envelopes by the application of child labour?—Yes. Youngsters of 13 or 14 years of age. I have seen youngsters of that age making straw envelopes in Cape Town.

15965. Do you think it is wise to introduce an industry of that description into the Colony?—Undoubtedly.

15966. If a manufacturer will not employ grown up people do you think it is worth having that manufacture here?—I point out the child labour on account of its simplicity of production. I myself would not be in favour of child labour. I have none at our factory, it is all grown labour. I simply mentioned it in that connection to show the simplicity of the manufacture.

15967. *Mr. Pyott.*] What is the freight on the Apollinaris water from Antwerp to Port Elizabeth?—25s. per ton.

15968. I think you said you were paying exactly the same from Cape Town to Port Elizabeth as from Antwerp to Port Elizabeth?—Adding the shipping and the landing charge.

15969. That is not quite correct, of course, because the stuff from Antwerp pays the landing charge at Port Elizabeth also?—Yes, but the shipping charge is included in the price.

15970. Still, it makes a difference of 5s. per ton?—Yes.

15971. Is it not possible to make the bottles in this country?—I would not say that; I think it is possible.

15972. You gave the value of the bottles you imported as about £3,000 a year. How many bottles would that be?—I should say about half-a-million.

15973. If those bottles could be made successfully here you would not object to a small duty on imported bottles?—None whatsoever.

15974. You are prepared to have everything possible done in the Colony?—Yes.

15975. Do you think you are suffering to-day from the competition of local manufacturers of mineral waters?—No; their trade is growing and ours is growing. As I say, our trade has increased all the time.

15976. Leave Port Elizabeth, East London and Natal out of it. Are you not getting a considerable saving over the railway to places like Beaufort West, Colesberg, and places like that?—Yes.

15977. Does not that enable you to sell cheaply in the back country?—Yes. We sell at the Cape Town price, and give the advantage of the railway preference.

15978. But you still think there should be another 25 per cent. on imported waters?—You can form no idea of the consumption in coastal towns. I will say three-fourths of the imported waters is consumed at the coast ports. It is the coast ports trade I really want, and the 25 per cent. is the only way of dealing with it.

15979. Would it act as a detriment to the consuming public?—No, because we have lowered our prices all the time.

15980. Instead of the hotel-keeper getting such a profit he would have to take a smaller profit?—His profit on the imported waters would be less. If he had to buy Apollinaris for about 10d. a bottle his profit at 1s. would be only 2d., whereas with our water he would buy at 3d. and the profit would be 9d.

15981. The retailers sell to the public at 2s. 6d. a dozen for small bottles?—And 3s. per dozen for large bottles.

15982. Is that all the difference in the value?—Yes. The only expense lies in the bottling. As a matter of fact, we are satisfied with a difference of 3d. a dozen between the small and large sizes.

15983. *Mr. Scott.*] Have you told the Commission how much imported mineral waters go into the Transvaal and other Colonies?—No. I have not gone into that matter.

15984. It seems to me the difficulty will be at the Customs Convention in arriving at an understanding with the Transvaal about putting a higher tariff on?—I do not know whether I am at liberty to say a word for our friends the local manufacturers in the Transvaal. The Seltzbach Company have approached us to have the duty increased so as to help them in the Transvaal.

15985. You think there would be no difficulty from that side?—No. I do not know whether it is so, but I was well informed that when the producers of Apollinaris and so on found there was a 25 per cent. duty on their waters they said, "'It is all right; we will allow a rebate; you will not have to pay the cost of the extra duty."

15986. That is why you ask for the extra duty?—To make them feel it.

Organ Building.

William Charles Cooper, Organ Builder, examined:

15987. *Chairman.* Will you state to the Commission what you wish to bring forward?—I have a written statement which I would like to read:—

"As an Organ Builder, I should like to make a few suggestions to the Commission with reference to my trade. At the present time church organs are brought to this country by the shipping companies at half freight, and they are landed duty free. During the past five years about £20,000 has been expended by churches in South Africa on organs. The whole of this amount has been sent out of the country to oversea firms. There are organ builders in South Africa who are quite capable of building organs. Personally, I am anxious to do so, but under existing conditions it is impossible to make the attempt with any likelihood of getting any return for the capital invested. A few years ago the conditions in Australia were very similar to our own. With the new Tariff in Australia, British made organs now have to pay £15 or 20 per cent. *ad valorem.* Parts of organs, such as metal pipes, ivory work, felt, etc., are allowed to be imported duty free. Under the old conditions organ builders in Australia were very much in the same position as those in South Africa, simply employed in erecting, renovating and tuning. Now under the new tariff the local men have become makers, and about 90 per cent. of the new organs are made in the country. In New Zealand there is a 30 per cent. *ad valorem* duty on foreign musical instruments and fittings of every description. 20 per cent. *ad valorem* duty is charged on musical instruments and fittings manufactured in the British Dominions. I would suggest that a tariff similar to Australia be adopted for South Africa, allowing parts such as metal pipes, ivory keyboards, ivory stop-knobs and felt to come in duty free. Made up parts, such as sound boards, bellows, sets of wooden pipes, might be charged 5 per cent. *ad valorem* duty. An organ complete of British manufacture should be 30 per cent. duty, and of foreign manufacture 40 per cent. With regard to the parts which I suggest be allowed to come in duty free, it is only the largest builders who make their own metal pipes. The smaller firms have them made by organ pipe makers, who work for the trade. The same applies to ivory keyboards. One firm of key-makers supply ninety-five per cent. of the key-boards used by English organ-builders. Other firms of ivory-workers make a speciality of organ stop-knobs, key-touches, labels, etc. Away from the "coast belt" the climate of South Africa has a terrible effect on pipe organs, and I am fully convinced that the men who work in the country and know its conditions could turn out a much more reliable instrument than that usually imported. A tariff such as I suggest would of course raise the price of organs, but I am sure it would make for greater efficiency. Church committees have a great partiality for choosing the cheapest tender, which means to them endless expenditure in renovations after the organ is erected. With a tariff such as I propose, an organ could be built in the country to stand the climatic conditions for a lower sum than the imported article; so church committees would thus be saved from themselves. I am fully aware that this trade is a very small one now, but with a tariff such as I propose, in a few years the English organ builders in South Africa would be increased to fully fifty highly-skilled craftsmen. I might state that the organ builders in South Africa who have served an apprenticeship to the trade, and are working at the business, can be counted now on the fingers of one hand."

15988. *Dr. Viljoen.*] Do you include all musical instruments?—No—only pipe organs.

15989. *Mr. Tod.*] The proposal would not apply to harmoniums or smaller organs?—No. That is a reed organ. I only speak of my own trade.

15990. *Chairman.*] How would you propose to build the organs? If you had a shop at Cape Town and had to build an organ at Kokstad, would you take everything up?—Yes. The work itself it practically joinery work, only it is a skilled trade by itself; there are special organ builders. Organs could be built here as easily as at Home, the same as you do joinery work here. The metal pipes are a different matter. We should not have enough work here—for some years at any rate—to start a metal shop, with metal workers, which is why I propose to bring metal pipes in free. The same with ivory keyboards. That is a little trade in itself, and one or two shops in London provide the whole of the trade, and I see no likelihood of sufficient work in South Africa to keep ivory workers busy if they were brought to the country.

15991. If you had to build an organ in Queenstown, where would you import the things?—Here, to be fitted up.

15992. Do you know it would take more to get them from here to Queenstown than to get them from England out to Queenstown?—I know the cost of railage is pretty heavy, but at the present time the church organs often get over the line at very much reduced rates.

15993. But it is 900 miles, and it would cost more to take them from here to Queenstown than to get out direct from England?—That would not be fair to local people.

15994. That might be of assistance to you in the Cape Peninsula, but it would be a very unfair tax on places like Queenstown, which are so far away. That is the difficulty of protection. You look at it from your own standpoint, but we have to consider the whole of South Africa. Would it be fair to tax one portion of South Africa for the sake of another portion?—There are organ builders in Johannesburg and Maritzburg as well. We would compete one with the other.

15995. In a big centre like this you might be able to do it, but for the other parts of the country it might be a heavy tax?—At Queenstown, for instance, an organ would be landed at East London and taken up from there. It could be shipped here and sent to East London.

15996. It would cost you with port charges and freight the same as from England?—If there were a duty we could build that organ and compete with the English firms successfully, and build a better organ for the country; that is my point. At the present time South Africa is flooded with cheap organs.

15997. Is it likely there will be many more organs wanted for the next ten years?—Yes. The cheap organs do not last for ever.

15998. *Mr. Tod.*] You contend that this organ making is really a superior sort of joinery or cabinet work?—It is a similar trade.

15999. You think if the cabinet-maker is protected you are equally entitled to protection?—Certainly.

Paint Making.

Eliza Abraham De Bruyne, of the South African Paint Works, examined, put in the following statement:

OUR MANUFACTURE.

The Witness has had over 30 years' European experience in the manufacture of paints of all kinds, varnishes, etc., and states on behalf of his firm his ability to compete on equal terms with the imported article if whole-hearted support was forthcoming from the country.

We are prepared to make all kinds of paint, oil and water paint, putty and patent driers. Our water paint called "Embelline" is made from Colonial materials, and is as good, and very much cheaper than any other distemper, and is fit for in and outside use.

We are sorry to say that there is generally a strong prejudice against Colonial manufactures. A generous exception is made by the Public Works Department of this Colony; and in open competition against the price and quality of the imported articles, large contracts had been made with the Imperial Military and Naval Authorities.

ONLY REASON FOR INCREASE OF DUTY.

Practically, the only object of urging a heavy temporary protective duty, say 50 per cent. on all kinds of paints, distemper, varnishes, putty, patent driers, enamels, etc., is to divert the trade from the imported to the Colonial made article. This would only be a temporary measure, as it has been shown that if accorded a fair share of support, the industry could hold its own, and local competition would always tend to keep down prices. Sufficient quantities of paints, etc., are imported to warrant the employment of hundreds of hands, and also more Colonial industries which would be assisted by the paint manufacture are tins, wooden boxes, printing, labels, show cards, etc.

In order, however, to attract further capital and justify the establishment of up-to-date machinery, a fixed period of say 5 or 7 years should be determined upon.

DUTY.

At the present rate 50 per cent. of our raw materials are imported and subjected to 12½–15 per cent. It is therefore desirable that until these raw products are grown or produced here they should, we think, be admitted free.

RAILWAY RATES.

Third-class rates are now charged on our "Embelline," because it is made of Colonial material, but we think the same rate should be charged on all paints made here, when the raw material is unobtainable in South Africa.

LEAD ORE.

Mention may be made of the excellent lead ore known to exist in the Cape Colony, which is smelted locally, and could be largely used in the manufacture of *white lead*, of which a large quantity is imported. Pending the establishment of these smelting works, lead in the first stage of manufacture (*i.e.*, whilst in its scaly nature) should be admitted free for making white lead, and the remaining processes could be completed here by Colonial workmen.

OIL, LINSEED.

Linseed Oil is one of the main ingredients in paint-making. We should like to see the duty, which is 15 per cent., lowered to about 7½ per cent. or 5 per cent., as it is impossible to obtain this locally.

16000. *Chairman.*] Have you anything to state in addition to your statement?—The principal things I wish to bring before your notice are contained in the statement.

16001. You want 50 per cent. on all paints?—Yes. That is only to be a temporary protective duty.

16002. Notwithstanding you have large contracts with the Imperial Government, do you think this is necessary? Would it not press very unfairly on the Eastern Province, for instance, to put such duties on, because we have it in evidence that it costs as much to take it to those parts of the Colony from here as from England?—It is a question of the railway rates and the freights. I make a water paint, which goes at Third Class rate.

16003. You want Embelline to go over the railways as South African produce?—Yes, because it is manufactured from Colonial produce. I want all my paints to go Third Class over the railways.

16004. We have to consider the whole of the Colonies, and not just in the vicinity of Cape Town. Perhaps it would be an unfair tax on the other parts of the Colony to put this tax on for the benefit of one manufacturer in Cape Town?—Our establishment is in the nature of an experiment. Many other factories might be started if the protection asked for were given. I already pay Third Class rate for Embelline made of Colonial articles. It is mentioned in the tariff on the railway, "Paints made of South African clay." Those are Third Class.

16005. *Dr. Viljoen.*] The Embelline is carried at the low rate because it is manufactured from South African produce, and you want the other paints carried at the same rate for the same reason?—Yes. Of course, when the raw material is unobtainable here, and the manufacture is done here, I ask to be put on the footing of the ordinary manufacturer.

16006. How long have you been here?—Four years. At the commencement my business was very much more prosperous than now, as there is a slackness in the building trade, and the landlords have no money; they are only caretakers now. I produce my sample card of distempers. I only want the protection of 50 per cent. till I have established myself and my articles are better known in the market. I have the lead here—in Prieska—and will be able to make white lead afterwards. I produce a sample of the lead ore.

16007. *Mr. Kayser.*] You say if you got this 50 per cent. protective duty it would not affect the price?—No.

16008. Because of local competition?—Yes.

16009. Are there any other paint works in the Cape Colony?—No.

16010. Where would you get competition?—The competition of the imported stuff, from the local factories which would be established.

16011. You would have 50 per cent. duty on the imported stuff?—I have asked for 50 per cent., but I would be quite prepared to take 25 per cent.

16012. I suppose you know what protection you get in the nature of freight from England? What is the freight of a hundredweight of lead?—It is about 32s. a ton.

16013. What percentage is that on the cost? Lead is worth about £25 at Home?—Yes.

16014. *Mr. Harlow.*] Are you interested in the mine which produced this sample of lead ore?—No. It is only a matter of showing it is very good stuff to make white lead afterwards when we have the protection.

16015. Is this mine worked?—I do not know.

16016. Would it be worked if this tariff were put on which you ask for?—I do not know whether this mine would be worked, but other mines would be. It can be made here.

16017. Is there any quantity of this?—A large quantity.

16018. This is in Cape Colony?—Prieska.

16019. Do you manufacture the whole of the colours on this sample card from purely Colonial material?—Except the colours. There is the yellow ochre and everything here, and when there is a big demand the paints can be made here.

16020. You produce a photograph of your building?—Yes.

16021. How many men do you employ?—Four.

16022. What is the present duty on paints?—15 per cent.

16023. Do you employ much skilled labour in your works?—I and my son and two white men and two coloured men. We are not very busy now.

16024. *Mr. Scott.*] I think you might specify the paints, because there is a large variety of oil paints. It might be a hardship in some cases. We would have to get evidence from some painters. If you put on this duty it might affect the other parts of the Colony?—Of course I am asking this, but I leave it entirely to the good judgment of the Commission.

16025. *Mr. Pyott.*] What percentage of this Embelline is Colonial product?—65 per cent.

16026. The other 35 per cent. is imported?—Yes. That is linseed oil and the colours.

16027. You give employment to four white men and two black men?—Yes. When I was in full work I had six white men. What I particularly wish to represent to the Commission is that there is a very large quantity of white lead used, and I think it might come in free in the scaly stages until the process of extraction is dealt with. I can make white lead of that, and it is my intention to do it.

16028. *Mr. Kayser.*] Would it be worth while putting up plant to turn out lead from that ore for South Africa?—It does not cost much for a plant like that. I believe it would be done for £2,000, and you could make all the white lead used here.

16029. *Chairman.*] The principal point is that you want linseed oil and white lead in the scaly stage brought in at a low duty?—I do not want the white lead introduced into the country free of duty, but the scaly lead—after the first process. There are four processes to make it into white lead. The first process is that the lead is treated with vinegar, and oxide of lead is the first reaction, and those scales I want introduced here free of duty, and then I will finish the other three processes here.

16030. *Mr. Pyott.*] This lead ore is a Colonial product, and you want to introduce the lead after the first process, which is damning the Colonial industry?—Pending the establishment of the melting process here. I cannot use ore here as long as it is not melted here.

16031. How long will it be before that comes?—As soon as I can get money.

Sail and Tent Making.

Richard Stanley Foster Lewis, of Alex. Cameron & Co., Sail and Tent Manufacturers, examined on the points in a statement put in, setting forth claims for protection for the Sail, Tent and Tarpaulin making industry.

16032. *Chairman.*] Do you wish to make any further statement in addition to your written statement, or simply answer questions?—I prefer to answer questions.

16033. *Mr. Kayser.*] Do you use any Colonial articles at all in your manufacture?—Only timber.

16034. Is that Colonial?—Some is Colonial and some not. When we want hard wood we often use stinkwood.

16035. You use very little Colonial material?—Yes.

16036. What is the duty at present on your articles of manufacture?—15 per cent. with 3 per cent. preference.

16037. Do you get any concession at all in the way of raw material?—We get our twine free. The duty for that on a large tent would not be more than ½d.

16038. Canvas?—12 per cent.

16039. The only article you get consideration on is twine?—Yes; that is the only consideration we have ever had.

16040. I suppose your business is mainly dependent on the wants of the ships coming out here?—Mainly on the farmers' and prospectors' wants for tents and tarpaulins.

16041. Will this make any difference to the farmer in the cost of his tent?—I do not think so. There is infinitely too much competition in this town alone to make a rise in price possible.

16042. That is on the Colonial made article?—Yes.

16043. But of course the imported article would have to be increased by the amount of the duty?—Yes.

16044. So the farmer would buy a Colonial article and pay a little more for it?—The probability is it would be six of one and half-a-dozen of the other on the best made goods.

16045. Is your price to-day higher than the imported article?—Yes.

16046. You do not expect to increase your price?—No.

16047. But you will not be able to get below the imported article?—No.

16048. Do you employ many hands in your factory?—At the present moment things are at a very low ebb. We have thirteen hands in our factory alone.

16049. Have you had many more?—Between two dozen and thirty during the war, and we were only one of half-a-dozen firms. Running at full stretch, I suppose there are perhaps 120 men employed in the trade in Cape Town.

16050. Do you get any preferential rates to-day?—No.

16051. But you consider there should be preferential railway rates?—We are not very keen on that matter except as a general principle. We consider fumigating outfits and wire rope trektouws should have full consideration under the agricultural implement class.

16052. You get no concession on wire rope trektouws?—No.

16053. Is there much labour in those?—All the fitting is labour.

16054. Can you tell us what percentage of the value of the trektouw? I suppose you import the wire in lengths?—Yes.

16055. And you cut them, and a certain percentage would be labour?—Yes.

16056. That is the only portion of it which is Colonial?—Yes.

16057. Do not the Government Departments at present give you 10 per cent. margin in their purchases?—5 per cent.

16058. That is not sufficient?—No.

16059. With this additional duty you would compete without any additional preference at all?—Yes.

16060. *Dr. Viljoen.*] What you mean by canvas tents for fumigating is for orange trees?—Yes.

16061. Do you make large quantities?—Yes, for the Eastern Province, and that is why I would like to press the point of railway preference on these goods.

16062. Have they to pay the same railage as the imported article?—Yes.

16063. And you contend that they should be placed on the same basis as the other articles manufactured here?—The same as agricultural implements. We do not press it on canvas goods generally, but just fumigating tents and sheets.

16064. *Mr. Scott.*] Do you make large numbers of tents ?—A fair number in the course of a year.

16065. You say you have 5 per cent. preference for the Government requirements of tents ?—Yes.

16066. Do you find that that enables you to get their orders ?—No ; we are just short of it ; it justs knocks us out.

16067. With regard to the tarpaulins for the railway, do you come in there ?—No, we cannot come in.

16068. Not even with the 5 per cent. preference ?—No.

16069. Is it the tendency of the Public Works Department and Government bodies to put their tenders, etc., outside the Colony ?—The Public Works contract for tarpaulins and tents has gone this year to a company having its headquarters in Glasgow.

16070. Is your tent equal to the Glasgow-made tent ?—Yes, we have offered time and again to put the thing to the test. We have never had the opportunity given us. We would welcome it.

16071. The present duty is 12 per cent. ?—Yes.

16072. You would propose to increase it a further 12 per cent. ?—On the manufactured article.

16073. And your canvas ?—We are prepared to let the duty stand on that as long as the manufactured article pays more.

16074. What is the duty on canvas ?—12 per cent. That is on everything. We have no protection except in the matter of twine, and the duty on the twine for a large tent would not be ½d.

16075. Suppose you got the duty reduced on tent canvas ?—That would be difficult, because a lot of it is sold by the big wholesale houses, and it would be difficult to discriminate between that and the canvas for tent-making.

16076. Do you think the result of the further protection would be to increase your industry to any extent ?—I have given the matter thought ; it seems to me if we could compete, and get the Government work, it would go very near doubling it.

16077. Have you any apprentices ?—All the men employed at the present time have been apprentices at our place. We have taught every one of them.

16078. So you feel you are quite capable of turning out an article equal to the imported tent or tarpaulin or any sail goods ?—Yes ; in any line we can turn out exactly the same thing.

16079. *Mr. Harlow.*] You say Government gives you a preference of 5 per cent. over oversea makers ?—Yes.

16080. You have 12 per cent. to pay on canvas ?—Yes.

16081. What is the difference in the percentage of the workers' wages here and oversea ?—It is very difficult to find out, but I have made inquiries from different people, and in our line it looks as if we are paying three and four times as much per day per man. A lot of the labour at Home is done by fishwives, and in London I cannot make out who it is done by, though from the prices quoted by manufacturers at Home it must be frightfully cheap labour.

16082. Is the difference 50 per cent. ?—At least.

16083. When the Government are importing tarpaulins they pay no duty at all ?—No.

16084. So really they have about 67 per cent. advantage over you ?—They have a very big advantage over us. I tried to point that out to the tender Board, but I could not get them to see it.

16085. As a matter of fact, the Government are not to-day supporting Colonial industries ?—Not so far as we are concerned.

16086. They offer you 5 per cent. and you are really working at a disadvantage of over 60 per cent. compared with oversea ?—When you consider the wages at the other end.

16087. What do you ask for now in any contract—private or Government ?—9 per cent. would have given us the Government work last year.

16088. I want to know what you think would be a fair and reasonable percentage to protect your industry ?—The least we could think of would be 12½ per cent. over and above the existing duty.

16089. That would make it 25 per cent. ?—On the manufactured goods—not the raw material.

16090. You think you could then compete with oversea ?—I believe so.

16091. Provided you do this work, how many men on an average do you think you could keep employed?—I have figured it out, that if we had the Government's contracts in tarpaulins and tents right through we should have to have going three times as many machines as we have, and about 70 hands, and should be going hard all the time.

16092. If you had an order to that amount could you go on with it at once ?—Not at once.

16093. Do you know if there are any sailmakers in Cape Town who are out of employment or not working at their trade ?—There may be some. I know one firm which is working short time.

16094. I have reliable information that there are tent-makers working at pick and shovel work to-day who cannot get employment at the trade ?—That is very likely.

16095. Have you any coloured labour in your factory ?—90 per cent. is coloured.

16096. About what is the average wage you pay these coloured persons ?—It runs up as high as 8s. 4d. a day for coloured.

16097. *Mr. Scott.*] They are not raw natives ?—No ; they are Cape boys.

16098. *Mr. Harlow.*] You have white men, of course ?—Two or three That is not counting clerks.

16099. What are their wages ?—I fancy 10s. is about the highest ; I do not think it is higher.

16100. Do you think there would be any more incentive to employ white labour in the event of your getting this duty ?—That is difficult to say. At present good sailmakers in town are almost entirely coloured. I know three first-class men who are out of employment, and they are coloured men, and they know their trade from A to Z. You can say, " That is the work to be done ; do it," and need never look at them again. They are absolutely first-class workmen.

16101. *Mr. Pyott.*] You say you were within 9 per cent. of getting the Government contract last year ?—Yes.

16102. For what ?—Tents and tarpaulins.

16103. And you pay 12 per cent. on your raw materials coming out ?—Yes.

16104. You are practically beating the Home firms ; that is the deduction ?—Yes.

16105. *Chairman.*] The canvas imported is mostly used for tents and tarpaulins ?—I should say not.

16106. What other purposes is it used for ?—All sorts of purposes. The farmers buy it for making bags. A large quantity of what we call bale canvas is imported.

16107. There were only £7,008 worth of tents and tarpaulins imported into Cape Colony last year, exclusive of Government stores, according to the returns ?—As far as I can make out, the value of tents and tarpaulins, including those for the Government, was pretty nearly £18,000, and excluding the Government, just over £7,000. That is tents and tarpaulins only—not canvas.

16108. Have you not got the bulk of the trade now ?—Not by any means. We get outside sizes and goods wanted in a hurry. We do not get the work for stock sizes now. We used to get it in past years, but since the agents have started here we have not got it. There are standard sizes in tents and tarpaulins, and in those it is impossible for us to get in. Before the agents were here we used to get the railway work regularly, but that has clean gone past us now. The imported article, through the agents, is simply sweeping the board.

16109. If you got the canvas in free, that would be adequate protection for you ?—Yes, but the difficulty would be to discriminate between canvas for manufacture and that to be sold by the wholesale houses over the counter and not used for manufacture.

Vinegar.

Petrus Jacobus Bosman, retired Vinegar Manufacturer, examined :

16110. You wish to give evidence on vinegar making ?—Yes.

16111. Will you state to the Commission what points you want to bring before them ?—What I want to bring before you is this, that during the last fifteen or sixteen years I have been in business several vinegar manufacturers have started here. I myself had a large vinegar manufactory here, so much so that we used about 1,500 or 1,600 leaguers of wine from the farmers alone. All at once a kind of acetic acid was introduced here, which was so much to the detriment of the vinegar industry that we had to close down. There was also a gentleman named Mr. Theodore Marillac who had a large vinegar manufactory, and this completely ruined him, because he was not a man of large substance—through the importation of acetic acid. We had to close down for the simple reason that one gallon of that acetic acid produces 21 gallons of vinegar. That one gallon of acetic acid, including the duty, costs about 7s. or 7s. 6d. Consequently, that produces about 21 gallons of vinegar at 7s. 6d., which is about 4d. a gallon, and we vinegar manufacturers, who bought the wine from the farmers at £3 10s. to £5 per leaguer, according to the market, were hopelessly out of it, and we had to close down. We gave way over the acetic acid then, and we also bought it and made it into vinegar in order to supply our customers. I may further state that three years after we closed down and Mr. Marillac closed down, Messrs. Collison and Co. started a very large vinegar factory—in fact, they imported the men from England. They have not exactly imported the men, but they came from England and they took them in hand. If was a big failure, and they lost a lot of money in consequence of being unable to compete with the acetic acid. It has come so far that the coolie who has a retail shop buys a gallon from the merchants and puts it in his cask and fills it with water, and that is the vinegar he sells. I ask you, as men of business, is there any protection for men to start a vinegar factory and compete on such a scale ? I may also add that last year there was talk that Parliament was going to give us some sort of protection in the vinegar business, and Messrs. Van der Byl and Co. of Cape Town thought to be the first in the field. They started a vinegar factory, and started buying the wine from the farmers in order to produce the vinegar. They are there and cannot go on. At the present moment they can more or less compete for this reason that wines are exceedingly cheap, but the moment wine comes towards its ordinary price they will be absolutely out of it. They were in hopes that they would get protection last year, but you know how things were. It might be advisable for you to hear the evidence of one of them.

16112. How did they get the idea that they would get protection last year ?—Because there was a talk of increasing the duty on acetic acid. There was a Bill submitted to Parliament to increase the duty or abandon the acetic acid altogether. I also want to point out how manifestly unfair and how unreasonable it is towards other people. For instance, acetic acid is imported from Germany. The man who imports it pays 3s. 6d. duty for a gallon, and he makes 21 gallons of vinegar out of it. You have a duty on your vinegar imported from England, say of 1s. 3d. per gallon. Consequently, if a man orders a gallon of vinegar from London he must pay 1s. 3d. duty, which is about 3s. 9d. for three gallons. Yet you allow another man to order the acetic acid from Germany which will give him 21 gallons for 3s. 9d. duty. Is it fair ? Should we give Germany a preference over our own people in England by saying, " You are allowed to send 21 gallons of vinegar here for 3s. 6d. duty, and if you get it from England you must pay 21 times 1s. 3d. ? " The result is that England pays £1 5s. or £1 6s. and Germany pays 3s. 6d. Now, if you will allow me, I want to make another remark. If you get a ton of acetic acid from Germany you make 21 tons of vinegar out of it. You only pay freight on a ton. But see what freight and expenses you will have if you order 21 tons from England. The difference in freight is £42 ; we give Germany that preference over our own people. We are entirely out of it. We could never compete with a man who imports a gallon of vinegar essence for 3s. 6d. and turns it into 21 gallons of vinegar. We have lost thousands of pounds through it. Collison has lost thousands of pounds, and I would like to know where Van der Byl will be landed unless certain protection is granted. If I may be allowed to suggest something, I would simply suggest that the acetic acid must pay a duty equivalent to what it costs when we get it from England—that is, if you get 21 gallons of vinegar from England you pay about £1 6s. 6d., and this only pays 3s. 6d. I say, in common fairness, they should pay the equivalent of what we let people pay from England, and not alone that, but the difference in freight should be added. Then we only place them in the same position with a man who wants to draw his supplies from England.

16113. *Mr. Pyott.*] Is acetic acid used for any other purpose ?—It is used by the chemists. Provision could be made in the case of the chemist. The chemists only use 8 or 10 gallons a year, and they can get a little rebate. All we want is protection, so that we can buy the wine from the farmer and turn it into vinegar. You may take it from me, we will not charge much more than the price of vinegar at present. They will sell it at 3d., and it will remain at 3d. At present we cannot produce a gallon of vinegar for 3d. Another thing I want to suggest is that the vinegar must have a certain strength. The essence they now import has a strength of 85 per cent., but you will get an acetic acid with 100 per cent. strength. If you are going to put an additional duty on this acetic acid you will get people here ordering acetic acid with 99 per cent. strength, and consequently your additional duty will not help you much, because instead of their adding 21 gallons of water to a gallon of acetic acid they will add 30 gallons unless you fix the strength. It is 85 per cent. now. The Government allows 3½ per cent. strength at which to sell, and you will see at 85 per cent. strength they can dilute 21 times. I have made hundreds of gallons myself. At 100 per cent. you can add 30 gallons of water, so that the additional duty will not help you unless you fix the strength also.

16114. *Dr. Viljoen.*] You are wrong in your £1 6s. 3d. The vinegar is 7d. per gallon in bulk, which is 12s. 3d. In order to make the acetic acid equal to the imported vinegar you will have to make it 12s. 3d. instead of 3s. 6d. That is simply the duty, but then another element comes in—the freight. So if you make allowance for the freight—when they get their stuff in a more concentrated form and, therefore, less bulk—if we were to increase it to 15s., do you think that would equalise it ?—I think so.

16115. Then you say you want to fix the strength of the acetic acid at 85 per cent. ?—Yes. Otherwise the people will import at 100 per cent.

16116. That applies to spirits also ?—Yes.

16117. You want to fix the vinegar at 3½ per cent. and acetic acid at 85 per cent., with a duty of 15s. per gallon ?—Yes.

16118. If that is done, do you think it will be an outlet for the superfluous wines in the country ?—Most decidedly. If you remember, it was stated in the House last year that if you take the quantity of essence they import and multiply it by 21 it makes it that a thousand leaguers have been consumed, which could have been 4,000 leaguers of wine bought from the farmers.

16119. *Mr. Tod.*] Can you give us any information about the quality of the acetic acid vinegar ?—Yes. I can send you a sample down.

16120. *Dr. Viljoen.*] The total imports for the countries within the Customs Union were about 16,000 leaguers ?—Yes.

16121. Which could have been made of wine ?—Yes.

16122. Is the quality of the vinegar made from the Colonial wine equal to the vinegar made from the acetic acid ; is it as good ?—If they add 21 gallons of water to it theirs is better, but you must understand they can make the vinegar as strong as they like by adding less water.

16123. But is it as good ?—Yes.

16124. Could you make the vinegar white ?—Yes.

16125. Could you make it suitable for pickling purposes ?—Yes. That is the best vinegar out for the purpose.

16126. It is said that pickles made with Colonial vinegar get soft ?—You will understand it depends who makes it. One man has a cask of vinegar and he does not worry about it, but puts this in and that in and sends to another man and he puts some water in, but if you make a pure wine vinegar, and people know they will get pure wine vinegar, you can use it for any purpose.

16127. Can you make the vinegar from spirits ?—Yes, but still the wine is better.

16128. You think we can make quite sufficient vinegar for the whole consumption ?—Yes.

16129. Is the vinegar going to be retailed at a higher price than the present vinegar ?—No. If you put 15s. duty on and they put 21 gallons, the vinegar costs them 10d. a gallon.

16130. Where is the acetic acid made ?—It is made in Germany. It is distilled from wood.

16131. That is the reason for making it so cheaply ?—Yes.

16132. They could not make this vinegar in England at that price ?—That I do not know.

16133. Anyhow, you do not get it from England ?—Apparently we cannot.

16134. Is there much vinegar imported ?—There is not so much English vinegar imported.

16135. Are you satisfied with the duty of 7d. per gallon in bulk on the other vinegar ?—I think if that could be raised a little it would be better.

16136. In bottles or other vessels of not more than an imperial gallon it is 1s. 1d., but in larger vessels it is 7d. per imperial gallon ?—At the present moment it is enough protection, but the moment the wines go to a certain price—£5 or £6 a leaguer—then, of course, they will be able to import the acetic acid again and we cannot compete.

16137. You could sell this vinegar made from wine at 3d. a bottle ?—Yes. We sell it at 16s. at our farm, which is 2d., and the retail man sells it at 3d.

16138. That would be £6 8s. a leaguer ?—Yes.

16139. So at that price you could give the farmer £4 for his wine ?—Yes.

16140. You only want the duty raised from 7d. to a little bit higher in case the wine goes up to £5 ?—Yes, because then we shall be out of it again.

16141. If you raised English vinegar to 9d. would that be sufficient protection ? Yes, and then raise the 15s. to 17s. 6d. in comparison.

16142. At present you can compete, and as long as the wine is at a low enough price ?—Yes. We can fairly compete, because the wine is £3 and £3 10s. That is 6d. a gallon, and they produce acetic acid at the present moment at 4d. a gallon.

16143. Is there much wine lost in the conversion ?—There is a certain amount lost; but then it is as well to be open with you. There is a certain amount of stuff added to the wine, which will equalise the loss.

16144. So practically you get a leaguer of vinegar from a leaguer of wine ?—Yes.

16145. Do you only want to give evidence on the vinegar ? You are a wine merchant ?—I was, but am out of the trade now.

16146. Do you want to give evidence on other things ?—My brothers are in the wine business. I can answer any questions.

16147. *Mr. Harlow.*] How would the railway rates affect you provided you had the tariff you suggest put on ? There is a preferential railway rate now in existence ?—You want to know whether, when I send my wine vinegar away, I do it cheaper than sending acetic acid vinegar away ?

16148. Yes ?—There is no other vinegar in existence now, except acetic acid vinegar.

16149. If this duty is put on how will it affect the up-country consumer ?—It will not affect him much, especially if the railway will give Colonial produce a little preference.

16150. Do you know there is an agitation to do away with the preferential railway rates ?—I do not know anything about that.

16151. It is so, and if those preferential railway rates are taken away, how do you propose to supply the up-country towns with the Colonial vinegar ?—We will supply by the railway, the same as the wine and brandy now.

16152. Will it not be at an advanced cost?—Not much, because they get the acetic acid also by rail, although, of course, they pay less for that because of the less bulk. In such cases these people are always handsomely met by the wine merchants here. If you take a Kimberley man you, perhaps, only charge him 10 per cent. profit on the vinegar, because you always take into consideration the fact that this man must pay carriage which others do not pay. For instance, in wine, I can assure you the Kimberley people buy cheaper wine from the merchant here than customers buy it at here—including their freight. It is always done in the liquor line.

16153. You say you can take up from 1,500 to 1,600 leaguers of wine ?—I said I bought that amount from time to time.

16154. How much wine would be required to supply the whole of the Colony ?—There are about 45,000 to 50,000 leaguers of wine produced in this country, but at the present moment the farmers are holding their stocks ; there is no outlet.

16155. There would be an outlet if this duty were put on acetic acid ?—Most decidedly.

16156. And the consumer would not suffer?—No ; the consumer will be able to buy his bottle of vinegar for 3d., the same as he is buying it now.

16157. *Mr. Tod.*] You say it makes no difference in the rail carriage. Surely a man in Kimberley getting up one gallon of acetic acid will pay 21 times less than sending it in the shape of the reduced vinegar ?—I have said getting it in acetic acid they will get it cheaper than in bulk.

16158. So it will make a very considerable difference to the carriage ?—Yes, but I said if we get the railway preference for our Colonial article we shall endeavour to meet them. The merchants always take into consideration the railway rates.

16159. In the case of the wine merchant buying wine at £3 per leaguer, at what price can he afford to sell the wine vinegar ?—10d. to 1s. per gallon. It costs you 6d., but you must not think if you get the wine to-day you can sell it to-morrow. You must keep it for six or seven months, and it must go through machinery and several fortifications and preparations before it is fit forthe purpose, and you have an enormous expense with it before you can sell it.

16160. If we stopped the acetic acid and had the vinegar made from the wine, it would be an immense outlet for the wine farmers ?—Yes.

16161. And it would be more wholesome ?—Yes.

16162. And wine vinegar is suitable for pickles ?—Yes. You may find a small man with a bad cask of wine vinegar, but if you go to the proper people you can use their wine vinegar for any purpose.

16163. Therefore, from the public point of view, it is a good thing to have it manufactured in a large way, because you will get an improved and uniform article ?—Just so.

16164. *Mr. Pyott.*] Were the 5,974 gallons of acetic acid imported last year used for making vinegar ?—Yes.

16165. But is there not some purpose for which it is used where it would become a great hardship to pay 15s. a gallon ?—The chemists use a certain amount for medicinal purposes, but I do not think a firm like Lennon & Co. use more than 20 gallons a year. In such a case these people could get a rebate.

Free Trade *versus* Protection.

Thomas Leonard Barber Edgcome, Public Schoolmaster (retired), examined :

16166. *Chairman.*] What points do you wish to give evidence on ?—I wish to speak in favour of Free Trade as opposed to protection.

16167. Do you want a Free Trade Customs Tariff ?—I want gradually to reduce the Customs Tariff as much as possible, rather than to increase it.

16168. This Commission cannot discuss the question of Free Trade *versus* Protection. We want to take evidence on the regulation of the Customs Tariff. If you can give special cases where reduction should be made, and the reasons for them we will consider them ?—I believe I am the first person before you who has spoken in favour of Free Trade, and there is an impression that the Free Trade point of view has not been put before the Commission as it ought to have been. Everyone knows the Commission wishes to be perfectly impartial. I am as anxious as you will be that the impression which undoubtedly exists as to your not having had the Free Trade point of view put before you should be removed.

[*The witness read a paper to the Commission on the subject of Free Trade.*]

16169. *Mr. Harlow.*] Might I ask what is your profession ?—I have been a public schoolmaster, and am retired; I am not in any business.

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